

Report on Corporate Governance and Ownership Structures

(Pursuant to Article 123-bis of the Consolidated Law on Finance)

Exercise 2021

Approved by Board of Directors
on 28 aprile 2022



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INTRODUCTION

This Report on Corporate Governance and Ownership Structure (hereinafter also **“Report”**) aims to provide information on the ownership structure of IREN S.p.A. (hereinafter also **“Company”**) and to provide a general and comprehensive presentation of the structure of its corporate governance system.

The Report is prepared in compliance with the disclosure obligations towards shareholders and the market, as provided for by Article 123-*bis* of Italian Legislative Decree No. 58 of 24 February 1998 (hereinafter also **“Consolidated Law on Finance”**), as subsequently supplemented¹.

The information provided therein refers, where not expressly indicated, to the 2021 financial year.

The Report was prepared in accordance with the IX Edition of the Format published by Borsa Italiana S.p.A. in January 2022.

The sources of internal regulations for IREN S.p.A. and the Group consist of:

- I) the current By-laws of the Parent Company IREN S.p.A. approved by the Board of Directors of IREN S.p.A. during the meeting held on 25 March 2020 (hereinafter also referred to as the **“By-laws”**). The current text incorporates changes relating to the identification of shareholders and adaptation to the new rules on compliance with gender quotas for the composition of the Board of Directors and the Board of Statutory Auditors;
- II) the current By-laws of First Level Companies;
- III) the provisions of the Corporate Governance Code, in its January 2020 version, (henceforth also the **“Code”**) to which the Company² formally adhered by a resolution of the Board of Directors on 18 December 2020, also approving, on the same date, a document highlighting the governance solutions adopted by the Company with reference to the provisions of the Code.

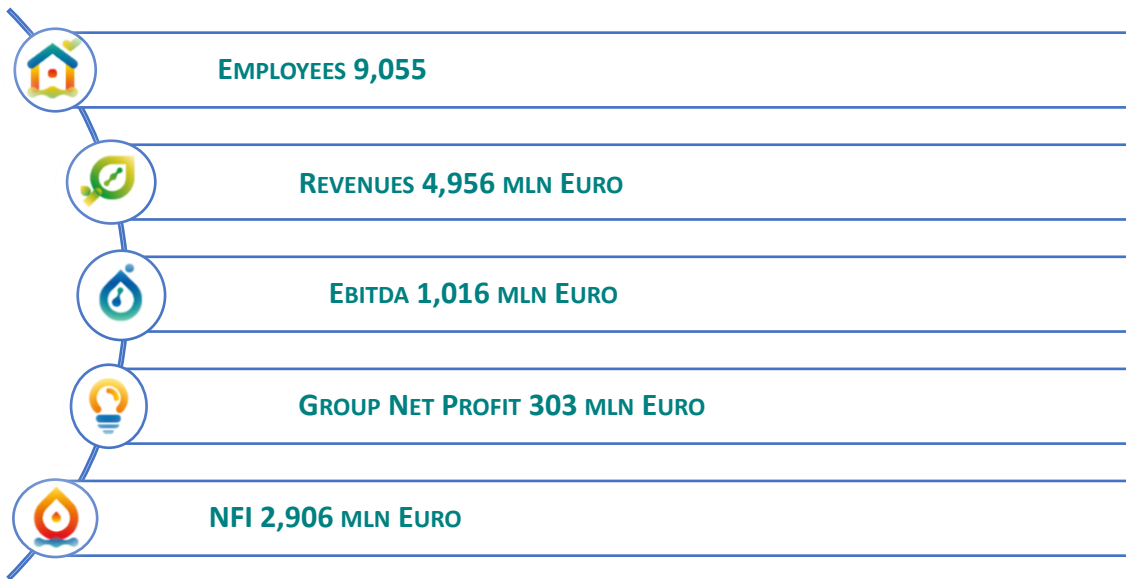
In order to ensure greater usability of the document, the Report is preceded by a brief **“Executive Summary”** summarising its main contents.

¹ The provisions of Italian Legislative Decree No. 254 of 30 December 2016 - which, *inter alia*, amended article 123-*bis* of the Consolidated Law on Finance - have been applied with reference to the reports relating to financial years starting from 1 January 2017.

² IREN S.p.A. had already formally adhered to the Code in the July 2015 version by a resolution of the Board of Directors on 20 December 2016 and subsequently to the July 2018 version by resolution on 05 April 2019.

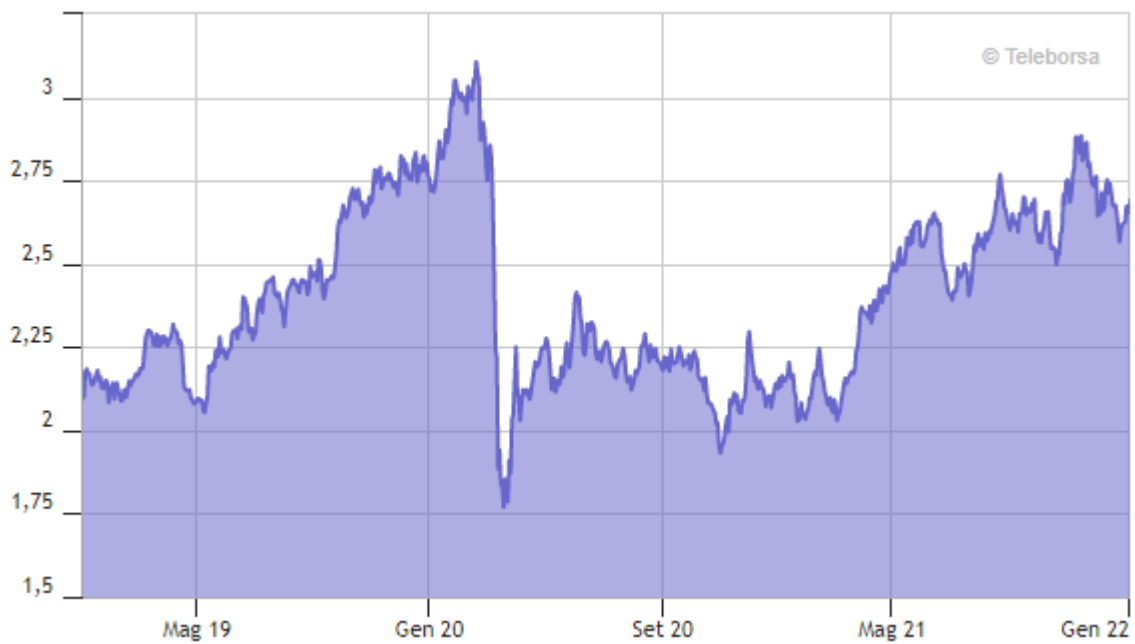
EXECUTIVE SUMMARY

MAIN HIGHLIGHTS¹ OF THE COMPANY

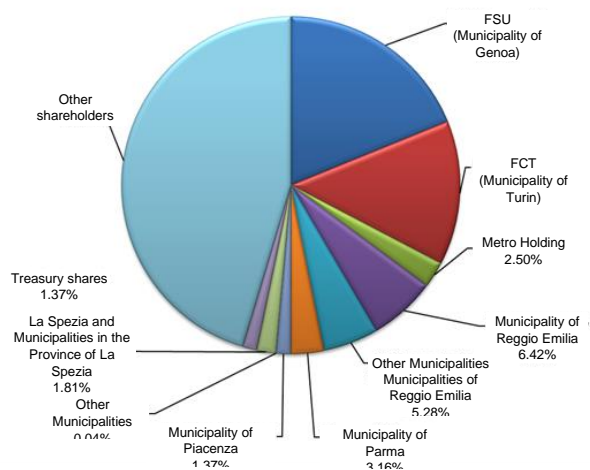


¹ The figures shown refer to 31 December 2021 and the respective scope of consolidation

STOCK PERFORMANCE JANUARY 2019 - JANUARY 2022



OWNERSHIP STRUCTURE - SHAREHOLDERS (UPDATED AS AT 1 JANUARY 2022)

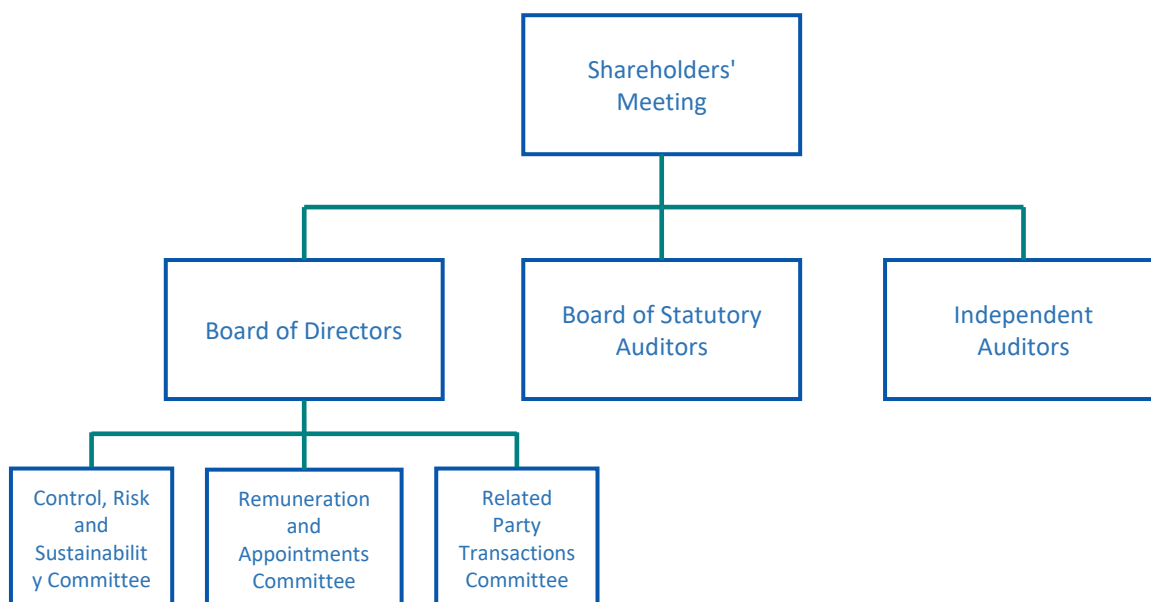


SHAREHOLDING STRUCTURE DETAIL *

	YES/NO	% OF CAPITAL
PRESENCE OF A SHAREHOLDERS' AGREEMENT	YES	52.78%
PRESENCE OF INCREASED VOTING RIGHTS	YES	51.75%
THRESHOLD FOR THE PRESENTATION OF LISTS	YES	1%
PARTICIPATION OF ITALIAN INSTITUTIONAL INVESTORS (EXCLUDING PUBLIC SHAREHOLDERS)	YES	15.62%
PARTICIPATION OF FOREIGN INSTITUTIONAL INVESTORS	YES	23.9%
PRESENCE OF TREASURY SHARES	YES	1.37%

* DATA UPDATED WITH INFORMATION AVAILABLE AS AT 01 JANUARY 2022

GOVERNANCE MODEL



FOCUS ON THE BOARD OF DIRECTORS

COMPOSITION



CHAIRPERSON
RENATO BOERO



DEPUTY
CHAIRPERSON
MORIS FERRETTI



CHIEF EXECUTIVE OFFICER AND GENERAL
MANAGER
GIANNI VITTORIO ARMANI



DIRECTOR
SONIA MARIA MARGHERITA
CANTONI



DIRECTOR
ENRICA MARIA GHIA



DIRECTOR
PIETRO PAOLO
GIAMPELLEGRINI



DIRECTOR
ALESSANDRO GIGLIO



DIRECTOR
FRANCESCA GRASSELLI



DIRECTOR
MAURIZIO IRRERA



DIRECTOR
CRISTIANO LAVAGGI



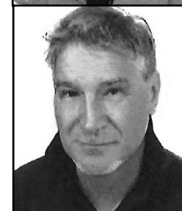
DIRECTOR
GINEVRA VIRGINIA
LOMBARDI



DIRECTOR
GIACOMO MALMESI



DIRECTOR
TIZIANA MERLINO



DIRECTOR
GIANLUCA MICCONI



DIRECTOR
LICIA SONCINI

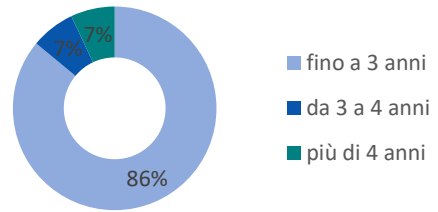


▲ Independent pursuant to the Italian Consolidated Law on Finance and the Italian Corporate Governance Code
● Control, Risk and Sustainability Committee
● Related Party Transactions Committee
● Remuneration and Appointments Committee
P Chairperson of the Committee

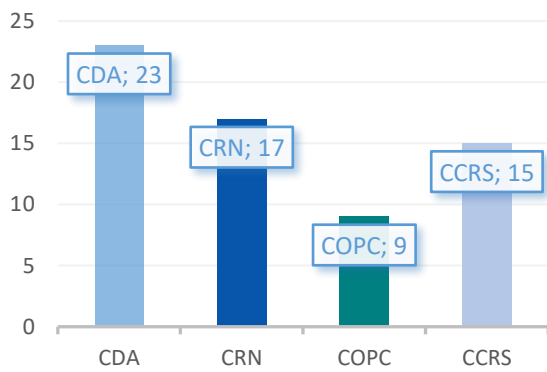
BOARD EVALUATION PROCESS

IMPLEMENTATION OF THE BOARD EVALUATION PROCESS	YES
EVALUATOR	ADVISOR
SELF-EVALUATION METHOD	QUESTIONNAIRE AND INDIVIDUAL INTERVIEWS

SENIORITY IN THE COMPANY

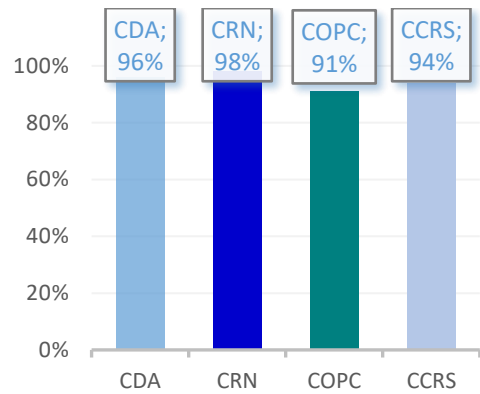


BOARD AND COMMITTEE MEETINGS²



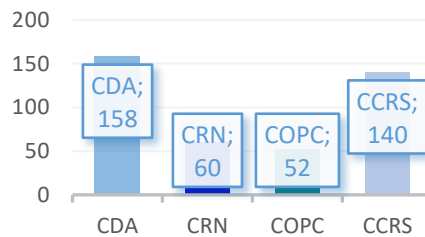
² The table represents the total number of meetings held in 2021.

AVERAGE PARTICIPATION IN MEETINGS³



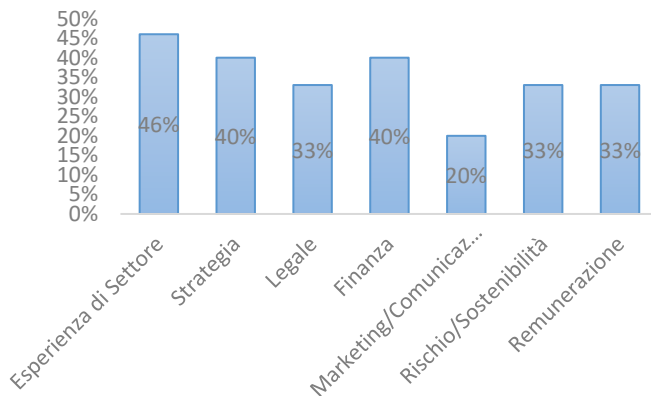
³ The table represents the average attendance of directors in the total number of meetings held in 2021.

AVERAGE MEETING DURATION⁴

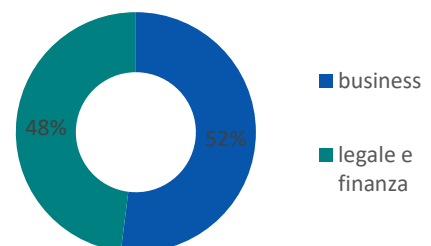


⁴ Values expressed in minutes in relation to the total number of meetings held in 2021.

DIRECTORS' EXPERTISE



% OF BUSINESS VS. LEGAL AND FINANCIAL EXPERTISE



FOCUS ON THE BOARD OF STATUTORY AUDITORS

COMPOSITION⁵



CHAIRPERSON
MICHELE
RUTIGLIANO



STANDING
AUDITOR
UGO BALLERINI



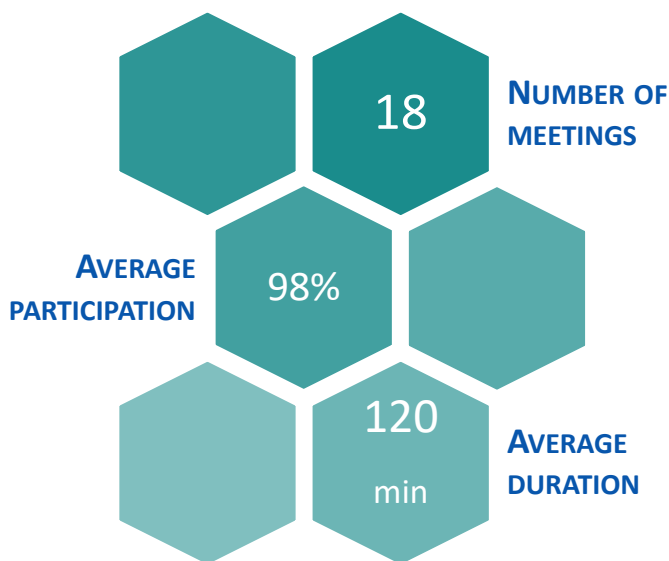
STANDING
AUDITOR
SIMONE CAPRARI



STANDING AUDITOR
CRISTINA CHIANTIA



STANDING AUDITOR
SONIA FERRERO



*MAIN ELEMENTS OF THE INTERNAL
AUDIT AND RISK MANAGEMENT
SYSTEM*

YES/NO

PRESENCE OF A SPECIFIC RISK MANAGEMENT UNIT	YES
EXISTENCE OF AN ENTERPRISE RISK MANAGEMENT PLAN	YES
IF YES, IS THIS PLAN BEING DISCUSSED WITH THE COMMITTEE?	YES
PREPARATION OF A NUMBER OF SPECIFIC COMPLIANCE PROGRAMS	YES
PRESENCE OF SUCCESSION/CONTINGENCY PLANS	YES

⁵ Appointed for the three-year period 2021-2023 during the Shareholders' Meeting held on 06 May 2021.

1-ISSUER PROFILE

Introduction - Origin and configuration of the IREN Group

During the four-year period 2015-2018, the IREN Group has completed full operational integration and, as things stand, is composed of the following:

- an industrial holding company, the Parent Company IREN (with the legal form of a listed joint-stock company, whose ownership structure is provided for in the specific section of the corporate website), which groups together all of the Group's staff corporate activities; - four first-level holding companies (hereinafter "First-Level Companies", with the legal form of a listed joint-stock company, with IREN S.p.A. as sole shareholder), operating directly or through investee/subsidiary companies, which are focused on controlling as many core businesses (Waste Management, Energy, Market, Grids) through a model based on skills and digitisation of processes, strongly scalable with the immediate integration of all the acquired companies.

This business model is aimed at enhancing the complementarity of the two original Groups (IRIDE Group and ENIA Group) and the recently acquired Groups (Atena Group, ACAM Group, San Germano Group and Unieco Waste Management Division), as well as strengthening the territorial roots and the integration of the activities and assets characteristic of each business.

With regard to the First-Level Companies, the Parent Company IREN S.p.A. carries out management and coordination activities, expressly provided for and regulated in the By-laws of the same.

The By-laws of IREN S.p.A. also ensure that the Chief Executive Officer be granted powers for the day-to-day management of the Company in accordance with the guidelines and policies formulated by the Board of Directors, as well as organisational powers and operational proxies for each of the business areas organised into divisions. Where the business areas are structured in the form of companies, the Chief Executive Officer, on the basis of the guidelines of the Holding company's Board of Directors, exercises functions of strategic planning, indications of objectives and control over the subsidiaries and proposes the appointment and/or dismissal of the Chief Executive Officer of each First-Level Company, to the Board of Directors.

Referring to the insights contained within the relevant subsequent paragraphs of this Report, the Iren Group has adopted strategies and policies aimed at creating value and meeting the needs of all stakeholders in a balanced way, confirming the centrality of the relationship with the communities and territories of reference.

The Iren Governance system is based on the integration of corporate bodies to meet, in accordance with the provisions of the Corporate Governance Code and the Code of Ethics, the expectations of all those who relate to the Group.

The Board of Directors defines the strategic approach, approves the guidelines and objectives, including a focus on sustainability goals. At the same time as the annual financial statements, the Board of Directors analyses and approves the Sustainability Report (serving as a consolidated non-financial statement pursuant to Italian Legislative Decree 254/2016 - available at <https://www.gruppouren.it/>), which reports on the sustainability results achieved in relation to the business plan, and is updated by the Deputy Chairperson, the body delegated in this matter, on the status of sustainability projects and stakeholder engagement activities.

The consultations concerning sustainability aspects between the interested parties and the highest governance body are delegated to the Deputy Chairperson who, through the Corporate Social Responsibility and Local Committees Department, is responsible for maintaining an open dialogue with the internal and external stakeholders on these topics. The results of this dialogue generate projects for the improvement of environmental and social performance and are then incorporated in the Sustainability Report.

In this regard, in view of the value attributed by the Iren Group to corporate social responsibility, the Board of Directors decided to implement the invitation contained in the Code and resolved to attribute investigative functions to oversee corporate social responsibility in the field of sustainability to the Control Risk and Sustainability Committee which, in assisting the administrative body: (i) supervises the "sustainability" policies and compliance with the principles of conduct that may have been adopted in this regard by the Company and its subsidiaries; (ii) examines the issues subject to preliminary investigation in terms of the long-term sustainability of the founding principles and guidelines of strategic planning, the business plan and short-term programming, overseeing the manner in which they are implemented; (iii) assesses, together with the competent Group Function and after consulting the statutory auditor, the correct use of the standards adopted for the purposes of preparing the non-accounting disclosures required by current regulations; (iv) supervises the system for assessing and improving the environmental, economic and social impacts resulting from the business activities in the territories; (v) examines the periodic reports on the implementation of the structured methods

of discussion with the stakeholders of the territories in which the Group operates, in particular through the Local Committees, and those on the consistency with corporate social responsibility issues of the Group's cultural and image promotion activities.

2-INFORMATION ON OWNERSHIP STRUCTURES

2.1-Share capital structure

At the date of approval of the 2021 Draft Financial Statements (29 March 2022) the subscribed and fully paid-up share capital amounts to 1,300,931,377 Euro with a nominal value of 1 Euro each, consisting exclusively of ordinary shares.

SHARE CAPITAL STRUCTURE					
	No. Shares	Nominal value	% in relation to share cap.	Listed/ Unlisted	Rights and obligations
Ordinary shares	1,300,931,377	1.00 Euro	100.000	Listed on Borsa Italiana	
Total	1,300,931,377		100.000		

2.2-Shareholding limits and restrictions on voting rights

Pursuant to Article 9 of the current By-laws, from the date coinciding with the 24th month following the date of Opening (on 1 June 2016) of the Special List, at least 50% plus one of the total voting rights, in relation to the Shareholders' Meeting resolutions with increased voting, must be owned by public bodies.

It is forbidden for any shareholder other than public bodies to hold more than 5% of the share capital (see Article 10 of the current By-laws). This limit on share ownership is calculated exclusively on the shares conferring the right to vote at shareholders' meetings and refers exclusively to them.

Under no circumstances may voting rights be exercised for holdings in excess of the above percentage.

For the calculation of the threshold, account is taken of the total shareholding held by: (i) the parent company, natural or legal person or corporation, all direct or indirect subsidiaries and affiliates; (ii) parties to a shareholders' agreement under article 2341-bis Italian Civil Code and/or under article 122 Consolidated Law on Finance and relating to shares of the company. Control applies, also with regard to parties other than the companies, in the cases referred to in article 2359, paragraphs 1 and 2 of the Italian Civil Code. Control in the form of dominant influence is deemed to exist in the cases stipulated in article 23, paragraph 2, of Italian Legislative Decree no. 385, 1 September 1993. The relation occurs in the cases referred to in article 2359, paragraph 3 of the Italian Civil Code. For the purposes of calculating the shareholding, account is also taken of shares held through trustees and/or intermediaries and/or those for which voting rights are attributed in any way to a person other than the holder. If the foregoing provisions are violated, any meeting resolution passed is subject to appeal pursuant to article 2377 Italian Civil Code, if the required majority would not have been achieved without such a violation. The shares for which the voting right cannot be exercised are, however, calculated for the purpose of the regular constitution of the Shareholders' Meeting.

On the basis of the provisions of the Internal Dealing Procedure, Relevant Parties, i.e. the following:

- (i) Directors and Auditors of IREN;
- (ii) parties performing management functions in IREN and executives who have regular access to inside information and have the power to make management decisions that may affect future developments and prospects;

and Associates, i.e. the following:

- (i) a spouse who is not legally separated or a partner equivalent to a spouse, dependent children, including those of the spouse, and, if cohabiting for at least one year, the parents, relatives and relatives-in-law of the relevant parties;
- (ii) legal persons, partnerships and trusts in which a Relevant Party or one of the persons referred to in point i) above who:
 - Have management responsibility;
 - Are directly or indirectly controlled by them;
 - Are established for their benefit or whose economic interests are substantially equivalent;

are prohibited from carrying out any type of transaction on IREN shares or related financial instruments, using "inside information".

In addition, Relevant Parties and persons closely related to them are prohibited from trading in listed IREN securities, meaning trading activities aimed at obtaining profits in the short term.

The Board of Directors of IREN has reserved the right to prohibit or limit the execution of transactions involving Company shares or related financial instruments during specific periods of the year, in connection with specific events, giving prior notice to the Relevant Parties concerned, it being understood that the Relevant Parties may not carry out transactions involving Company shares or related financial instruments within 30 days (Blackout periods) preceding meetings of the Board of Directors at which the following are examined: the annual financial report including the draft financial statements and the consolidated financial statements, the half-yearly financial report and the quarterly reports.

2.3-Significant shareholdings in the share capital

The parties that directly or indirectly hold more than 3% of the subscribed share capital represented by shares with voting rights, according to the communications received by the Company pursuant to Article 120 of the Consolidated Law on Finance as at 31 December 2021 are as follows:

SIGNIFICANT SHAREHOLDINGS IN CAPITAL		
Declarant	% share of capital	% share of total voting rights**
FSU srl	18.851	24.84
FCT SPA	13.803	18.191
Municipality of Reggio Emilia	6.423	8.465
Municipality of Parma*	3.163	4.169

NOTES

* The Municipality of Parma participates directly with a 0.43% stake in the voting share capital and indirectly through the subsidiaries S.T.T. holding with a 1.179% stake in the voting share capital and Parma Infrastrutture S.p.A. with a 1.554% stake in the voting share capital.

** Voting rights with reference to shareholder resolutions with increased votes under Article 6-bis of the By-laws.

2.4-Holders of securities conferring special rights

To date, no securities have been issued that confer special rights of control.

As at 31 December 2021, no individual person exercised control over IREN pursuant to Article 93 of the Consolidated Law on Finance.

With reference to the mechanism for the appointment of directors, which is carried out by list voting, the By-laws in force provide that 13 directors out of a total of 15, of which the Board is composed, shall be taken from the list that has obtained the majority of the votes validly cast.

Similarly, for the appointment of the Board of Statutory Auditors, in accordance with the By-laws and the Shareholders' Agreement in force, the voting system confers on the public shareholders meeting the right to appoint 3 standing auditors and 2 alternate auditors.

The Shareholders' Meeting of 9 May 2016 approved the introduction to Article 6-bis of the By-laws of the institution of the increased voting rights under which each share gives the right to two votes in the resolutions of the Shareholders' Meeting concerning the following matters, (i) the amendment of Articles 6-bis, 6-ter, 6-quater and 9 of the By-laws, (ii) the appointment and/or dismissal of the members of the Board of Directors pursuant to Article 19 of the By-laws, and the appointment and/or dismissal of the members of the Board of Statutory Auditors pursuant to Article 28 of the By-laws, as well as the exercise of liability action against them (the "**Shareholders' Meeting resolutions with increased voting**"), if both of the following conditions are met: (a) the voting right has belonged to the same party by virtue of a qualifying right in rem (full ownership with voting rights, bare ownership with voting rights or usufruct ownership with voting rights) for a continuous period of at least 24 (twenty-four) months from the effective date of the inclusion of that party in the special list referred to in Article 6-ter below (the "**Special List**"); and (b) the recurrence of the condition under(a) also results from a specific communication from the intermediary in accordance with the applicable legislation or from the continued inclusion in the Special List.

2.5-Employee shareholding

The Shareholders' meeting may resolve on the extraordinary allotment of profits to the company's employees and providers of labour, to be made through the issue of special classes of shares to be allotted individually and subject to special rules regarding the methods of transfer and the rights they grant. No such decisions have been taken at this time.

2.6-Agreements between Shareholders that are known to the Company in accordance with Article 122 of the Consolidated Law on Finance

During 2019, IREN Public Shareholders signed two "Addenda" to the shareholders' agreements signed in 2016: the FSU - FCT - Emilian Parties and La Spezia Parties Agreement and the Emilian Public Shareholders Sub-Agreement, as further described below.

Pursuant to article 122 of Italian Legislative Decree No. 58 of 24 February 1998 and subsequent amendments and additions (the "Consolidated Law") and Article 129 et seq. of the regulations referred to in CONSOB Resolution No. 11971/1999 and subsequent amendments and additions, on 5 April 2019 the signing was completed of the Addendum to the Shareholders' Agreement (the "Agreement" or "Shareholders' Agreement") concerning ordinary shares of Iren S.p.A. ("Iren" or the "Company").

The extract from the FSU - FCT - Emilian Parties and La Spezia Parties Agreement, pursuant to article 122 of the Consolidated Law on Finance and articles 129 et seq. of the Issuers' Regulations, was published on 9 April 2019 in "Italia Oggi".

A. The FSU - FCT - MHT - Emilian Parties and La Spezia Parties Agreement

As at 31 December 2021, the financial instruments covered by the Agreement ("Shares Contributed") (i) provided to the Voting Syndicate (as defined below), consist of all the ordinary IREN shares held by the Signatories (as defined below) during the period of validity of the Agreement, equal to 686,696,386 ordinary shares of the Company representing 52.784% of the share capital represented by ordinary IREN shares and (ii) provided to the Block Syndicate (as defined below) are made up of 455,379,436 ordinary shares (the "Blocked Shares") of the Company equal to 35% of Iren's share capital. It should be noted that the Blocked Shares are subject to the restrictions on circulation set out below (the "Block Syndicate"), while the shares of Signatories other than the Blocked Shares may be freely transferred.

a) AGREEMENT TYPE AND PURPOSE

The Agreement can be traced back to a block and voting syndicate whose purpose is to guarantee the development of the Company, its subsidiaries and its activities, as well as to also ensure the same unity and stability of direction through the use of the increased voting instrument, and in particular (i) to determine methods for consultation and joint adoption of certain resolutions of the Company's Shareholders' Meeting; and (ii) to regulate certain limits on the circulation of the Shares.

b) CONTENT OF THE SHAREHOLDERS' AGREEMENT

Increased Voting

The Agreement provides for, among other things, the possibility for shareholders to benefit from the increased voting referred to in article 127-quinquies of the Consolidated Law and its implementing provisions (the "Increased Voting"), and the commitment of the Parties: (i) to confer to the Agreement any new shares purchased; (ii) with the exception of transfers of the Shares allowed under the Agreement, to refrain from carrying out any transaction that may result in the cancellation from the special list and/or the loss of the right to the Increased Voting in relation to its own Shares; and (iii) not to request the cancellation of the special list or to waive the inclusion in the special list and/or the right to the Increased Voting in relation to treasury shares.

Pursuant to the By-laws, the resolutions with reference to which the Increased Voting will be applied are as follows: (i) the amendment of articles 6-bis, 6-ter, 6-quater and 9 of the By-laws; (ii) the appointment and/or dismissal of the members of the Board of Directors pursuant to article 19 of the By-laws, as well as the exercise of liability action against them; and (iii) the appointment and/or dismissal of the members of the Board of Statutory Auditors pursuant to article 28 of the New By-laws, as well as the exercise of liability action against them (the "Shareholders' Meeting resolutions with increased voting").

Voting Syndicate

The Agreement provides for the commitment of the Signatories: (i) to submit and vote for a joint list for the appointment of Directors of the Company and a joint list for the appointment of the auditors of the Company in accordance with the provisions of the Agreement; (ii) to ensure that the Directors align their vote in the Board of Directors of the Company to the provisions of the Agreement (with reference only to the termination and replacement of Directors); and (iii) to align

their vote in the Shareholders' Meeting on Significant Matters (as defined below) in accordance with the provisions of the Agreement.

Pursuant to the Agreement, each Party has undertaken to make every effort to ensure that - for the entire duration of the Agreement - the positions of Chairperson, Deputy Chairperson and Chief Executive Officer of the Company are assigned to the directors designated by the Parties through the Shareholders' Agreement Committee and that they are assigned responsibilities in line with those indicated in the senior management composition of the macro-organisational structure described in the Agreement.

The Parties have undertaken to remove any director of the Company who exercises his or her voting rights in a manner contrary to or not in line with the provisions of the Agreement.

Appointment of the Board of Directors

The Board of Directors is made up of 15 directors of which: 3 directors were designated by Finanziaria Sviluppo Utilities S.r.l. ("FSU"), 3 directors were designated by Finanziaria Città di Torino (FCT), 3 directors were designated by the "Emilian Parties" ("Emilian Parties" refer to all the Signatories with the exception of FSU and FCT and La Spezia Parties), 1 director designated by La Spezia Parties, 3 directors designated by the Shareholders' Agreement Committee who will hold the office of Chairperson, Deputy Chairperson and Chief Executive Officer of the Company and 2 directors elected by minorities in compliance with article 19 of the By-laws.

In the event that lists are not submitted by minority shareholders, the first of the Directors who would have been elected by the minority shareholders will be appointed by the Auditor of the Shareholders' Agreement who holds the highest number of shares at 31 December of the previous year and the second by the other two Auditors belonging to the Shareholders' Agreement Committee who hold the highest number of shares at 31 December of the previous year. For the entire duration of the Agreement, the Chairperson, Deputy Chairperson and Chief Executive Officer will be appointed by the Shareholders' Agreement Committee. The Agreement also includes provisions relating to the presentation of lists, the inclusion in the list of candidates for the office of Director proposed by the Signatories and the replacement of Directors who have ceased to hold office.

Appointment of the Board of Statutory Auditors

The Company's Board of Statutory Auditors consists of 5 Standing Auditors and 2 Alternate Auditors, including one Standing Auditor designated by FSU (to be placed first on the list in the "Standing Auditor" section), one Standing Auditor designated by FCT (to be placed second on the list in the "Standing Auditor" section), one Standing Auditor designated by the Emilian Parties (to be placed third on the list in the "Standing Auditor" section), one Standing Auditor designated by FCT (to be placed fourth on the list in the "Standing Auditor" section), one Standing Auditor designated by the Emilian Parties (to be placed fifth on the list in the "Standing Auditor" section). FSU, FCT and the Emilian Parties, in addition, will designate in rotation the party to be included at the first place in the list in the "Alternate Auditors" section and the first designation will be made by FSU. Moreover, FSU, FCT and the Emilian Parties will designate in rotation the candidate to be included at the second place in the list in the "Alternate Auditors" section of the Company Board of Statutory Auditors and the first designation will be made by FCT. The Agreement also provides for the submission of lists and the inclusion in the list of candidates for the office of Auditor proposed by the Signatories and the replacement of Auditors who have ceased to hold office.

Qualified quorums

The resolutions of the Extraordinary Shareholders' Meeting relating to the following matters (the "Significant Matters") will be adopted only with the favourable vote of the Emilian Parties, who will express it jointly, with FSU and FCT: (i) Shareholders' Meeting resolutions with increased voting; and (ii) (a) amendment of the provisions of the By-laws governing the limits on share ownership, (b) amendment of the provisions of the By-laws concerning the composition and appointment of corporate bodies, (c) amendments to the provisions of the By-laws concerning the quorums for incorporation and resolution as well as the powers of the Shareholders' Meeting and the Board of Directors, (d) the registered office, (e) mergers, demergers (other than those pursuant to Articles 2505, 2505-bis and 2506-ter, final paragraph of the Italian Civil Code), as well as other extraordinary transactions on the Company's capital, with the exception of those required by law, and (f) the liquidation of the Company.

Block Syndicate

The Blocked Shares cannot be disposed of (the "Transferability Constraint") for the entire duration of the Agreement and where rights in rem over the Blocked Shares are created or transferred, the corresponding administrative rights shall be retained by the Signatories. No acts of disposal may be carried out - either directly or indirectly or through a third party - concerning Shares or other acts and/or facts and/or transactions that involve or may involve the obligation to promote a mandatory (even residual) takeover bid on the Company's Shares. The Transferability Constraint will automatically cease to be effective if a law, or other act having the force of law, is enacted whereby the companies (and/or their subsidiaries)

entrusted with local public services lose the entrustment of such services if the voting rights due in such companies to public bodies and/or subsidiaries of the latter with reference to the appointment of corporate bodies are in total more than 50% plus one of the voting rights due to all shareholders of the company for the same matters.

If, as a result of violations of the provisions set forth in the Agreement, one or more of the Signatories is obliged to promote a mandatory takeover bid (even if residual) concerning the Company's Shares, the defaulting Party shall indemnify and hold harmless the other Signatories from all costs, expenses, charges connected with or otherwise arising from such conduct, including those relating to the mandatory takeover bid for the Company's Shares.

Signatories' Shares other than Blocked Shares may be freely transferred.

Each Party that has carried out a transfer of the transferable shares shall notify the Agreement Coordinator and the Shareholders' Agreement Secretary so that they may periodically update the list containing the shares subject to the voting syndicate, the blocked shares and the transferable shares.

c) BODIES OF THE SHAREHOLDERS' AGREEMENT

The bodies of the Voting Syndicate are: the "Shareholders' Agreement Committee", the "Agreement Coordinator" and the "Shareholders' Agreement Secretary".

The Shareholders' Agreement Committee

The Shareholders' Agreement Committee has coordination functions between the Parties and is composed of the Mayor pro tempore of the Municipality of Genoa representing FSU, the Mayor pro tempore of the Municipality of Turin representing FCT, and the Mayor pro tempore of the Municipality of Reggio Emilia representing all the Emilian Parties that have signed the Agreement. The Shareholders' Agreement Committee will remain in office for the entire duration of the Agreement. The Shareholders' Agreement Committee meets whenever one of its members so requests and resolves unanimously.

The Chairperson, Deputy Chairperson and Chief Executive Officer of the Company shall be appointed by unanimous decision on the basis of professionalism and competence and shall be chosen on the basis of rosters of names shared by the members of the Shareholders' Agreement Committee. In the event of disagreement, the member of the Shareholders' Agreement Committee who has the highest number of shares at 31 December of the previous year shall have the right to appoint the candidate for one of the positions; in this case all shares shall be included among the shares blocked for a period of one year; the other two positions shall be chosen by the other members of the Shareholders' Agreement Committee.

The Agreement includes provisions on how to appoint the Chairperson, Deputy Chairperson and Chief Executive Officer of the Company, depending on whether the appointment is made by the Shareholders' Meeting or by the Board of Directors.

If the Shareholders' Agreement Committee does not appoint unanimously, as the case may be, the Chairperson and/or the Deputy Chairperson and/or the Chief Executive Officer, the Agreement will be automatically terminated without the need for further communication and shall be deemed to be definitively terminated pursuant to Article 1360, paragraph 2 of the Italian Civil Code, with effect from the date of termination. In this case the Agreement Coordinator, and by default, each member of the Shareholders' Agreement Committee, will be required to immediately inform the Parties.

The Shareholders' Agreement Coordinator

The Shareholders' Agreement Coordinator manages the activities of the Shareholders' Agreement Committee and is appointed by the Shareholders' Agreement Committee from among the members of the Shareholders' Agreement Committee itself on a rotating basis every 12 months.

The current Coordinator of the extended Agreement is Luca Vecchi, Mayor of the Municipality of Reggio Emilia.

The Shareholders' Agreement Secretary

The Shareholders' Agreement Secretary performs the following functions: (i) collates the list for the election of the members of the Board of Directors and the members of the Board of Statutory Auditors prepared in accordance with the Agreement; (ii) transmits to the Signatories the votes received from the other Signatories; (iii) performs all the operational-executive functions necessary for the execution of the Agreement; (iv) drafts and signs the minutes of the meetings of the Shareholders' Agreement Committee; (v) communicates to all the Parties the possibility that the Blocked Shares no longer constitute the majority of the voting rights in the Shareholders' Meeting; (vi) takes steps to carry out the communications to CONSOB required by law on the occasion of any modification of the Agreement; and (vii) updates the number of shares contributed to the Voting Syndicate and/or the Block Syndicate at least once every six months, and in any case whenever it receives communications regarding the change. The Shareholders' Agreement Secretary is appointed by the Shareholders' Agreement Committee by unanimous decision. The Shareholders' Agreement Secretary participates in the meetings of the Shareholders' Agreement Committee.

d) PENALTIES

The party in breach of certain provisions of the Agreement (including, by way of example and without limitation, violations of the obligation to vote at the Shareholders' Meeting of the Company in accordance with the Agreement or the violation of certain provisions dictated on the appointment of corporate bodies) will be required to pay a penalty of 10 million Euro, without prejudice to the right of each of the fulfilling parties to take action for compensation for greater damages, to be paid to the parties not in breach, pro rata in relation to their respective shareholding in the Company on the date of the violation. In the event of the violation of the Transferability Constraint, the aforementioned penalty will be equal to the greater amount between: (i) 10 million Euro; and (ii) double the capital gain realised by the transferor.

e) DURATION AND MODIFICATIONS OF THE AGREEMENT

The current Agreement became effective on 5 April 2019, (the "Date of Effectiveness"). The Agreement shall be effective between the Parties until the third anniversary of the Date of Effectiveness (the "First Expiry Date") and shall be renewed tacitly, unless terminated, for a further two years (the "Second Expiry Date"); thereafter any further renewal shall be agreed in writing in advance. The aforementioned is without prejudice to the right of each of the Parties to withdraw with effect from the First Expiry Date by means of a notice sent to the other Parties at least 180 days prior to the First Expiry Date. Withdrawal must be communicated in writing to the Shareholders' Agreement Secretary. Withdrawal by some of the Parties will render the Agreement ineffective for all other Parties only if, as the case may be, on the First Expiry Date or on the Second Expiry Date, the voting rights of the Parties who have not exercised their withdrawal are less than 40% of the total number of voting rights due to all shareholders with reference to the Shareholders' Meeting resolutions with increased voting. With the exception of the latter case, the Agreement will continue between the Parties who have not exercised their right of withdrawal. The Agreement may be modified with the written agreement of the Signatories representing a total of at least four fifths of the Shares Contributed. Amendments to the Agreement must be communicated to all Signatories at least 60 days prior to the date of entry into force of such amendments. In this case, dissenting Signatories will have the right to immediately withdraw from the Agreement by means of a communication sent no later than the fifteenth day prior to the date of entry into force of the amendments.

The Shareholders' Agreement is open to public bodies that have become shareholders of the Company as a result of the subscription of Shares on the market or negotiated directly between the Parties (or by virtue of a capital increase of the Company (the "New Purchasing Shareholders"), it being understood that the subscription of the New Purchasing Shareholders must be authorised in advance by the Shareholders' Agreement Committee. Registration will be formalised by the new shareholders signing a registration letter.

B. Sub-agreement of Emilian public shareholders

Pursuant to article 122 of the Consolidated Law on Finance and articles 129 et seq. of the Issuers' Regulations, on 5 April 2019 the Emilian Parties signed an Amending Deed to the Sub-Agreement signed on 9 May 2016 (the "Addendum to the Sub-Agreement") through which the Emilian Parties proposed to maintain coordination with the Main Agreement as amended by the Addendum.

As at 31 December 2021, the financial instruments covered by the Sub-Agreement (the "Shares Contributed") were as follows: (i) 209,868,482 ordinary shares of the Company, equal to 16.132% of the share capital represented by ordinary shares of the Company, contributed to the Voting Syndicate (as defined below) and (ii) the Shares Contributed other than the "Blocked Shares" pursuant to the Agreement, which are subject to pre-emption rights (as defined below) and are currently equal to 66,435,896 ordinary shares of the Company, equal to 5.106% of the total "Shares".

The Shares Contributed constitute the totality of the ordinary shares owned by the members of the Sub-Agreement (the "Signatories" or the "Parties") and are subject to the voting syndicate referred to below (the "Voting Syndicate") and the right of pre-emption referred to below (the "Right of Pre-emption"). The Signatories have undertaken to confer in the voting syndicate and submit to the Right of Pre-emption any further ordinary shares of the Company held by the Signatories after the signing of the Sub-Agreement.

a) AGREEMENT TYPE AND PURPOSE

The Sub-Agreement can be traced back to a block and voting syndicate with the purpose, among other things, of: (i) ensuring uniformity of conduct and rules on decisions that must be taken by the Signatories in the context of what is provided for in the Agreement; (ii) providing for further commitments in order to guarantee the development of the Company, of its investees and of its business, and of ensuring the same unity and stability of guidance; (iii) attributing a

right of pre-emption in favour of the Signatories in the event of sale of the Company's shares other than shares covered by the Block Syndicate under the terms of the Agreement; and (iii) conferring on the Municipality of Reggio Emilia an irrevocable mandate to exercise on behalf of the signatories the rights attributed to these latter under the terms of the Agreement.

b) CONTENT OF THE SUB-AGREEMENT AND SUB-AGREEMENT BODIES

Voting Syndicate

The Signatories who have signed the Amending Deed of the Sub-Agreement will appoint 3 members of the Board of Directors of the Company according to the following methods: (i) 1 Director designated by the Mayor pro tempore of the Municipality of Reggio Emilia, endorsed by the majority of the Statutory Auditors of the Reggio Emilia area; (ii) 1 Director designated by the Mayor pro tempore of the Municipality of Parma endorsed by the majority of the Statutory Auditors of the Parma area and (iii) 1 Director designated by the Mayor pro tempore of the Municipality of Piacenza endorsed by the majority of the Statutory Auditors of the Piacenza area.

Under the Sub-Agreement, the Signatories will designate 1 Standing Auditor and 2 Alternate Auditors of the Company; the latter will be designated by the Signatories in rotation with FSU. Pursuant to the Sub-Agreement, the above designation will take place in the following manner: (i) the Mayor of the Municipality of Reggio Emilia and then, on a rotating basis, the Mayor of the Municipality of Piacenza and then the Mayor of Parma shall have the right to designate the candidate to be included in third place on the list in the "Alternate Auditor" section of the Company; (ii) the Municipality of Parma shall have the right - on a rotating basis with FSU and FCT - to designate the candidate to be included in second place on the list in the "Alternate Auditor" section of the Company.

Sub-Agreement Bodies

The bodies of the Voting Syndicate are: the Sub-Agreement Shareholders' Meeting, the "Sub-Agreement Coordinator", the "Sub-Agreement Secretary" and the "Sub-Agreement Executive Board".

The Sub-Agreement Shareholders' Meeting, constituted by all the Signatories, is the body that expresses, in general, the will of the Signatories and must meet when requested by a number of Parties representing at least 50.01% of the total votes (rounded down) available to the Parties or, in any case, before the date:

- of first call of a Shareholders' Meeting of the Company concerning the following resolutions (the "Significant Shareholders' Matters"): (a) resolutions to be adopted with the application of the Increased Voting pursuant to the By-laws of the Company; or (b) resolutions relating to the following matters: (i) amendment of the statutory provisions governing the limits on share ownership; (ii) amendment of the statutory provisions concerning the composition and appointment of corporate bodies; (iii) statutory amendments concerning the constitution and resolution quorums and the powers of the Shareholders' Meetings and the Board of Directors; (iv) the registered office; (v) mergers, demergers (other than those pursuant to articles 2505, 2505-*bis* and 2506-*ter*, final paragraph of the Italian Civil Code) as well as other extraordinary transactions on the Company's capital, with the exception of those required by law; and (vi) the liquidation of the Company;
- where the Board of Directors will meet to resolve on one of the matters referred to in Article 25.5., points (ii), (iii), (iv) and (vi) of the By-laws (the "Significant Decision-Making Matters").

The Sub-Agreement Shareholders' Meeting will be valid if a number of Signatories representing at least 50.01% of the total votes (rounded down) available to the Parties are present at the meeting. Even in the absence of a valid call, the Sub-Agreement Shareholders' Meeting will be considered validly constituted and suitable to deliberate with the presence of a number of Parties representing 70% of the votes available to the Parties.

The Sub-Agreement Shareholders' Meeting is competent to pass resolutions with the favourable vote of at least 50.01% of the total votes (rounded down) available to the Parties, with the exception of the provisions concerning Significant Shareholders' Matters for which it is competent to pass resolutions with the favourable vote of at least 60% of the total votes (rounded down) available to the Parties, taking into account, in the event that the resolution relating to a Significant Shareholders' Matter is a resolution passed by a Shareholders' Meeting for which the increase in voting rights pursuant to the By-laws is applicable, the increases in voting rights available pursuant to the Company's By-laws.

Each Party shall do everything possible within the limits of the law to ensure that the Directors appointed by the same exercise their voting rights in such a way that the provisions of the Sub-Agreement are fulfilled for the entire duration of the same. The Parties undertake to do everything in their power to cause the dismissal of each director of the Company who exercises his or her right to vote in a manner contrary to or not in line with the provisions of the Sub-Agreement, it being understood that the replacement director will be appointed by the same Party that appointed him or her.

The activities of the Sub-Agreement Shareholders' Meeting will be coordinated by the coordinator of the Sub-Agreement Shareholders' Meeting (the "Coordinator"). The Coordinator will be appointed by the Sub-Agreement Shareholders' Meeting between the Parties.

The Sub-Agreement Secretary carries out all the operational-executive functions necessary for the execution of the Sub-Agreement and convenes the Sub-Agreement Shareholders' Meeting. The Sub-Agreement Secretary is the party designated by the Municipality of Reggio Emilia.

The Executive Board has an advisory and educational function and consists of the following five members: (i) the Mayor pro tempore of the Municipality of Reggio Emilia, as representative of the Municipality of Reggio Emilia and of the other subjects belonging to the Municipalities of the territorial area of Reggio Emilia; (ii) the Mayor pro tempore of the Municipality of Parma, as representative of the Municipality of Parma and of the other subjects belonging to the Municipalities of the territorial area of Parma; (iii) the Mayor pro tempore of the Municipality of Piacenza, as representative of the Municipality of Piacenza and of the other subjects belonging to the Municipalities of the territorial area of Piacenza; (iv) the Coordinator; and (v) the Sub-Agreement Secretary.

The Executive Board has merely advisory and educational functions for the Sub-Agreement's Shareholders' Meeting on matters of strategic importance for the Company or for the Parties as shareholders of the Company, as well as, if necessary, on Significant Shareholders' Matters and Significant Decision-Making Matters.

Right of Pre-emption

Without prejudice to the prohibition of non-transferability provided for by the Agreement, if one of the Signatories intends to carry out, in whole or in part, acts of disposal concerning Company Shares or financial instruments convertible into Company Shares or option rights on newly allotted Shares, he or she must offer them - in proportion to the shareholding held by each one in the Company - in advance, in pre-emption, to all the other Signatories under the same conditions. The Sub-Agreement contains provisions aimed at regulating the terms and conditions for the exercise of the Right of Pre-emption. In particular, the Right of Pre-emption must in any case be implemented in compliance with the sales methods and timing provided for in the Agreement, it being understood that in the event of incompatibility: (i) the provisions of the Agreement will be deemed to prevail and the Signatories shall observe and implement the provisions of the Agreement; and (ii) the Right of Pre-emption shall not apply among the Signatories themselves.

c) PENALTIES

The party in breach of certain provisions of the Sub-Agreement (such as, by way of example and without limitation, violations of the provisions relating to the Right of Pre-emption) will be required to pay a penalty equal to the greater sum between: (i) 10 million Euro; and (ii) double the capital gain realised by the Transferor.

d) DURATION AND MODIFICATIONS OF THE SUB-AGREEMENT

The Sub-Agreement became effective on 5 April 2019 (the "Date of Effectiveness"). The Sub-Agreement shall be effective between the Parties until the third anniversary of the Date of Effectiveness (the "First Expiry Date") and shall be renewed tacitly, unless terminated, for a further two years (the "Second Expiry Date"); thereafter any further renewal shall be agreed in writing in advance. The aforementioned is without prejudice to the right of each of the Parties to withdraw with effect from the First Expiry Date by means of a notice sent to the other Parties at least 180 days prior to the First Expiry Date. Withdrawal must be communicated in writing to the Sub-Agreement Secretary. The Sub-Agreement will continue between the Parties who have not exercised their right of withdrawal. The dissolution of the Agreement will result in the dissolution of the Sub-Agreement and the withdrawal from the Agreement will result in the withdrawal from the Sub-Agreement. The Sub-Agreement may be amended with the written agreement of the Signatories representing in total at least four fifths of the Shares of the Company held by the Signatories and contributed to the Agreement. Amendments to the Sub-Agreement must be communicated to all Signatories at least 60 days prior to the date of entry into force of such amendments. In this case, dissenting Signatories will have the right to immediately withdraw from the Sub-Agreement by means of a communication sent no later than the fifteenth day prior to the date of entry into force of the amendments.

The Sub-Agreement is open to the registration of persons (i) who have become shareholders following the purchase of Shares on the free market, (ii) who have become parties to the Agreement and (iii) who can be qualified as local authorities of the provinces of Parma, Piacenza or Reggio Emilia or are subsidiaries of such local authorities or consortia between such local authorities. This registration will be formalised by the new shareholders signing a registration letter.

C. Piedmont Sub-Agreement

Pursuant to article 122 Consolidated Law on Finance and articles 129 et seq. of the Issuers' Regulations, on 28 September 2021 was the

signing of a shareholders' agreement (the "Piedmont Sub-Agreement") concerning ordinary shares of Iren S.p.A. ("Iren" or the "Company"), through which the shareholders FCT Holding S.p.A. ("FCT") and Metro Holding Torino S.r.l. ("MHT")

intended to regulate their mutual relations as shareholders of Iren, including under the broader shareholders' agreement signed with other shareholders of Iren on 05 April 2019 (the "Shareholders' Agreement").

As at 31 December 2021, the financial instruments covered by the Sub-Agreement (the "Shares Contributed") were as follows: (i) 212,067,795 ordinary shares of the Company equal to 16.301% of the share capital represented by ordinary shares of the Company contributed to the Voting Syndicate (as defined below).

a) Agreement type and purpose

The Piedmont Sub-Agreement can be traced back to a voting syndicate through which the Piedmont Parties intend to: 1) coordinate with each other in order to identify, within the limits set by the Piedmont Sub-Agreement : i) shared candidacies within the scope of the powers to appoint directors and auditors, as governed by the Shareholders' Agreement; ii) common guidelines in relation to the decisions to be taken on the resolutions of the Meetings as per article 6-bis of Iren's By-laws, as well as on the resolutions to be taken on the following matters (a) amendment of the provisions of the By-laws governing the limits to share ownership; (b) amendment of the provisions of the By-laws concerning the composition and appointment of the corporate bodies; (c) amendments to the By-laws concerning the quorums for the constitution and passing of resolutions and the powers of the Shareholders' Meetings and the Board of Directors; (d) the registered office; (e) mergers, demergers (other than those pursuant to articles 2505, 2505-bis and 2506-ter, last paragraph, of the Italian Civil Code) as well as other extraordinary transactions on the capital, with the exception of those required by law; and (f) the liquidation of the Company (hereinafter "Significant Shareholders' Matters"); 2) to grant FCT an irrevocable mandate, also in the interest of FCT itself, to exercise the rights conferred by the Shareholders' Agreement on FCT in accordance with the provisions of the Piedmont Sub-Agreement.

b) Content of the Piedmont Shareholders' Sub-Agreement

The Piedmont Parties, in acknowledging that the covenants of the Piedmont Sub-Agreement are compatible with the obligations assumed under the Shareholders' Agreement, recognise that compliance with the current obligations of the Shareholders' Agreement is also functional to the pursuit of the common interests that determined the stipulation of the Piedmont Sub-Agreement and therefore agree that - to the extent not expressly provided for in the Piedmont Sub-Agreement itself - all other obligations, including the Block Syndicate, provided for in the Shareholders' Agreement shall be transfused and remain in the Piedmont Sub-Agreement for as long as the Shareholders' Agreement is effective.

c) Designation of candidates for Iren's corporate offices

2.1. The Piedmont Parties agree that the director candidates, indicated with nos. 4 to 6 (details included) in the list for the office of director presented jointly by the subscribers to the Iren Shareholders' Agreement (the "Single List"), whose designation is the responsibility of FCT pursuant to articles 6.1 and 6.2.(B) of the Iren Shareholders' Agreement, are identified as follows:

- the director candidates listed in nos. 4 and 5 are chosen by FCT;
- the director candidate indicated in no. 6 shall be chosen by FCT in agreement with MHT upon the latter's designation of one or more candidates formulated at least 30 (thirty) days prior to the deadline set forth in article 6.3 of the Iren Shareholders Agreement. The Piedmont Parties moreover agree that:
 - if 15 (fifteen) days prior to the deadline set forth in article 6.3 of the Shareholders' Agreement MHT has not proposed any names or FCT and MHT have not reached an agreement on the name or any of the names designated by MHT, the Piedmont Parties shall schedule daily meetings to jointly identify the director candidate to be included in no. 6 of the Single List, to be identified also from among individuals not designated by MHT;
 - where 5 (five) days prior to the deadline set forth in article 6.3 of the Shareholders' Agreement no agreement has yet been reached on the director candidate to be included in no. 6 of the Single List, each Piedmontese Party may propose its own candidate, which will be submitted to the Piedmontese Parties for a vote. Each Piedmont Party will have a number of votes equal to the Shares it owns. The candidate who, at the end of voting, has a majority of the votes cast will be indicated by FCT, as the proxy of the Piedmont Parties, as the candidate to be placed at no. 6 on the Single List.

In the event that the Shareholders' Agreement ceases to be effective (which, however, has not been terminated within the terms by any contracting party) and its renegotiation is not completed, the Signatories will jointly submit the list of candidates for election to the Board of Directors pursuant to articles 19-20 of Iren's By-laws, that they undertake to vote for. The list will be formed as follows:

- by January 31 of the year of appointment of officers, each Signatory shall indicate to the other the amount of shares of Iren held, specifying how many hold or accrue the right to the increased voting rights as of 20 April of the year of the meeting of the appointment of officers;
- if, according to the criteria in 2.2.1 above, the Signatories can cast the same number of votes, the list shall be formed by mutual agreement. In the absence of agreement, each Signatory shall indicate to the other a list of candidates consisting of one-half plus one of the candidates, and a lottery will be drawn as to which Signatory has the power to indicate the candidates on the list with odd numbers and which Signatory shall indicate those with even numbers;

if, according to the above criteria, one Signatory can cast more votes than the other, said Signatory shall indicate the candidates with odd numbers, while the other shall indicate those with even numbers.

d) Voting syndicate

3.1. In order to ensure, as far as possible, unity of conduct, the Piedmont Parties undertake to discuss in advance, in the manner and at the times to be identified from time to time in relation to each resolution, the orientation to be expressed for votes on Significant Shareholders' Matters

e) Duration and amendments to the shareholders' agreement

The Piedmont Sub-Agreement shall be effective between the Piedmont Parties from the date of signing until 05 April 2022 (hereinafter, the "First Expiry Date") and shall be tacitly renewed for an additional two years, unless notice of termination is given in writing with at least 180 (one hundred and eighty) days' notice prior to the First Expiry Date; any subsequent renewal shall be agreed upon between the Piedmont Parties in writing.

If the Iren Shareholders' Agreement loses effectiveness, the Piedmont Sub-Agreement will automatically and immediately lose effectiveness, just as withdrawal from the Shareholders' Agreement by a Piedmont Party will automatically result in withdrawal from the Piedmont Sub-Agreement for the same Piedmont Party.

2.7-Significant agreements to which the company (or its subsidiaries) are parties and which become effective, are modified or that terminate in the event of a change of control of the company, and their effects (change of control clauses)

With regard to existing medium/long-term loan contracts, there are commitments of the following types: (i) Change of Control clauses, which provide for the maintenance of control of the IREN Group by Public Shareholders either directly or indirectly; (ii) Negative Pledges clauses, by virtue of which the company undertakes not to provide collateral beyond a specified limit; (iii) Disposal of Asset clauses with limits defined as a percentage of Shareholders' Equity or total fixed assets; (iv) Pari Passu clauses, which give the lender banks equal treatment with other unsecured creditors and (v) clauses for compliance with financial ratios (covenants such as Debt/EBITDA, EBITDA/Financial charges), with annual verification. In addition, for certain medium/long-term loan contracts of group companies, clauses and commitments typical of Project Financing contracts are provided for.

2.8-Agreements between the Company and the directors providing for indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a takeover bid

This information is contained in the Report on the 2022 Remuneration Policy and compensation paid in 2021 which is published and submitted for approval to the Shareholders' Meeting pursuant to article 123-ter of the Consolidated Law on Finance.

2.9-Rules applicable to the appointment and replacement of directors as well as to the amendment of the By-laws, if different from those applicable in a supplementary manner

The Company is managed by a Board of Directors composed, at the date of approval of this Report, of a fixed number of 15 directors.

As indicated in the introductory part of the Report, the By-laws in force, last approved at the meeting held on 25 March 2020 by the Board of Directors of IREN S.p.A., incorporate changes relating to the identification of shareholders and compliance with the new rules as regards gender quotas for the composition of the Board of Directors and the Board of Statutory Auditors.

The Board of Directors is appointed on the basis of lists submitted by shareholders.

The information required by article 123-bis, paragraph 1, letter l) ("*rules applicable to the appointment and replacement of directors*") is illustrated in the section of this Report dedicated to the Board of Directors (**para. 4.2**).

2.10-Existence of proxies for capital increases pursuant to Article 2443 of the Italian Civil Code or the power of the directors to issue equity securities as well as authorisations to purchase treasury shares

At the date of approval of this Report, there are no proxies for capital increases pursuant to article 2443 of the Italian Civil Code, i.e. powers of the directors to issue equity securities.

With reference to the authorisation to purchase treasury shares, the Ordinary Shareholders' Meeting of IREN S.p.A. held on 29 April 2020 renewed the authorisation for the Board of Directors to also purchase and dispose of treasury shares of IREN S.p.A. in a fractional manner, pursuant to articles 2357 et seq. of the Italian Civil Code and article 132 of Italian Legislative Decree No. 58 of 24 February 1998, subject to revocation of the previous authorisation to purchase and dispose of treasury shares set forth in the resolution of the Iren S.p.A. Shareholders' Meeting of 05 April 2019.

Details of the treasury share purchase plan are contained in the report prepared by the Board of Directors and available on the Iren S.p.A. website www.gruppoiren.it in the relevant Section "*Investors - Corporate Governance - Shareholders' Meetings - Ordinary Shareholders' Meeting of Iren S.p.A. convened on first call for 29 April 2019 and second call for 29 May 2020 – Directors' Report on the Renewal to purchase treasury shares*".

The Board of Directors may carry out treasury share purchase and disposal transactions for a maximum of 65,000,000 shares of the Company, equivalent to one twentieth of the share capital. The treasury share purchase programme is permitted for eighteen months starting from the date of the shareholders' meeting resolution. The maximum amount of the shares purchasable as part of the share repurchase programme may not be more than the amount of the distributable profits and available reserves resulting from the latest financial statements regularly approved.

The Shareholders' Meeting also defined, according to what was proposed by the Board of Directors, purposes, terms and conditions for the purchase and disposal of the treasury shares.

The Shareholders' Meeting conferred on the Board of Directors all the widest powers, to be exercised with the utmost discretion, so that it may proceed with implementing the purchases in full compliance with the current legislation. The purpose of the transaction is to provide the Group with a supply of shares available for external growth transactions.

At the end of the financial year at 31.12.2021 there were 17,855,645 treasury shares in portfolio.

The By-laws provide that the Company may issue, in the manner required by law, both registered and bearer bonds, also convertible into shares, and also with warrants.

2.11-Activities of management and coordination pursuant to article 2497 et seq. of the Italian Civil Code - Indication of the reasons why IREN S.p.A. believes it is not subject to management and coordination activities (pursuant to article 16, paragraph 4 of the Market Regulations as per Consob resolution No. 20249 of 28/12/2017)

As at 31 December 2021, IREN S.p.A. is not individually controlled by any shareholder and therefore no person is responsible for the management and coordination of IREN.

3-COMPLIANCE

IREN S.p.A. adopts the Corporate Governance Code approved by the Corporate Governance Committee in January 2020.

Lastly, with a resolution of the Board of Directors of 18 December 2020, the Company formally adopted the Code in the version of January 2020, available to the public on the Borsa Italiana website at the page <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

After adoption a disclosure was made to the public through a press release distributed to the market.

On the same date, the Board of Directors also approved the document which highlights the governance solutions adopted by the Company with reference to the provisions of the Code. This was published on the IREN Group's website (www.gruppoiren.it), in the Section "*Investors – Corporate Governance – Corporate documents*", to which reference is made.

Information on adherence to the remuneration recommendations is provided in the Report on the Remuneration Policy 2022 and compensation paid in 2021, to which reference should be made.

IREN S.p.A. and its strategically important subsidiaries are not subject to non-Italian legislative provisions that affect the corporate governance structure of the same.

4-BOARD OF DIRECTORS

4.1-Role and functioning of the Board of Directors

Information on the functioning of the Board of Directors.

During the 2021 financial year, the IREN Board of Directors held 22 (twenty-two) meetings, with an average attendance of 96% of its members (for details see **Table 2** below). The average duration of the meetings was about 2 hours and 40 minutes.

At least 18 meetings of the Board of Directors are scheduled for 2022, regularly, in compliance with legal deadlines and a work schedule previously shared between Directors and Statutory Auditors; in addition, six meetings have already been held prior to the meeting to approve this Report.

No situations have emerged for the directors that could constitute violations of the prohibition of competition pursuant to article 2390 of the Italian Civil Code. The Shareholders' Meeting did not authorise exceptions to the non-competition clause.

In line with the convocation timelines set forth in article 23, paragraph 2 of the current By-laws and subject to the adoption of special rules of procedure, which was revised and supplemented on 15 February 2022, the Directors set five days as the timeframe deemed appropriate for pre-board briefings aimed at decision-making; the Board may be provided, by the end of the working day prior to the meeting or on the spot, with the information concerning decisions and practices of particular importance that must be taken for proven reasons of urgency - or for other reasons expressly justified by the Chairperson or other proposing Delegated Body - at the convened meeting. The relevant resolutions may be passed with no one opposing the discussion.

During 2021, the documentation supporting the resolutions to be taken was made available to the Board substantially within the above deadline.

The Directors therefore received ample information on the matters submitted for their decisions and the Chairperson of the Board of Directors has always ensured that the items on the agenda were given the necessary time to allow for a constructive debate, encouraging the contribution of the Directors in the course of the meetings, in order to ensure a conscious assumption of responsibility for the decisions for which they are responsible. In particular, the use of a computer system ("*Area CdA Iren*") continued. It was initiated in 2013, and allows Directors and members of the Board to receive and view with the aforementioned reasonable advance documentation on a constantly updated computer platform in accordance with the conduct of meetings of the administrative body. This system also allows for greater confidentiality of the data and information provided.

The following usually attend meetings: (i) the Secretary of the Board; (ii) the Director of Administration, Finance and Control, who holds the position of Manager in charge of financial reporting (henceforth also "Financial Reporting Manager"); (iii) the Director of Corporate and Legal Affairs and (iv) the Corporate Manager and, as of November, (v) the Director CEO Office; during the meetings held in 2021, other managers and employees of the Company, as well as external consultants with expertise in the matters discussed, were invited to attend, when deemed necessary and at the request of the delegated bodies, in order to provide appropriate insights.

With special reference to the emergency situation caused by the COVID19 virus and in deference to the pro tempore regulations in force, during the first months of 2021, the Board of Directors met exclusively by telematic means, subject to the presence of the Secretary taking the minutes at the place fixed in the notice of meeting. In the following months, meetings were also continued in presence but always in compliance with the regulations related to the above-mentioned emergency situation.

Please also refer to paragraph 4.7 "Role of the Chairperson of the Board of Directors" for further information about the functioning of the Board of Directors.

Matters reserved for the Board of Directors.

Article 25 of the current By-laws provides that the administrative body is invested with the widest powers for the ordinary and extraordinary management of the Company, with the power to carry out all the actions deemed necessary or appropriate for the implementation and achievement of the corporate purpose, excluding only those powers which, strictly speaking, the law or the current By-laws have reserved to the competence of the Shareholders' Meeting.

In particular, pursuant to the aforementioned statutory provision, in addition to the resolutions reserved by law pursuant to Article 2381, paragraph 4 of the Italian Civil Code, the Board of Directors has exclusive jurisdiction over resolutions concerning:

- (i) identification and/or modification of business areas and decisions regarding the structuring of business areas into companies or operating divisions;
- (ii) where the business areas are structured in the form of companies: (a) appointment and/or dismissal of the Directors of each First-Level Company, it being understood that the Chief Executive Officer of each First-Level Company is proposed by the Chief Executive Officer of IREN S.p.A.; (b) setting the composition of the First-Level Company Board

- of Directors at more than three Directors; (c) exercise of voting rights at the shareholders' meetings of each First-Level Company;
- (iii) where the business areas are structured in the form of companies: (a) appointment of members of the Board of Directors of First Level Companies that are not executives within the Group and/or directors of the company; and/or where the business areas are structured into operating divisions, hiring and/or appointment and/or dismissal, all of the above on the proposal of the Chief Executive Officer, of the heads of each business area, proposed, for appointment and/or revocation, by the Chief Executive Officer of IREN S.p.A.;
 - (iv) approval of the multi-year industrial and financial plans of the company and the Group, as well as the annual budget of the Group and (a) their revisions and/or (b) resolutions concerning activities and operations other than those provided for in the multi-year business and financial plans of the company and the Group as well as in the annual budget of the Group; the above points (a) and (b) insofar as they involve changes in investments for amounts exceeding 5% of the total amounts provided for in the budget and/or the plans;
 - (v) transactions that are not expressly indicated in the business and financial plan and/or in the approved annual Group budget, it being understood that the foregoing does not constitute an exception to point (iv) above, where such transactions have as their object:
 - the approval of purchases or sales or other acts of disposal (in any way carried out) involving equity investments, companies or business units and having for the company and/or its subsidiaries a value greater than 10,000,000.00 Euro and not greater than 50,000,000.00 Euro or gross invested capital (net equity plus financial indebtedness) greater than 10,000,000.00 Euro and not greater than 50,000,000.00 Euro, per individual transaction, or even for transactions of a lower value but functionally connected with each other that, taken together, exceed the threshold indicated;
 - approval of investments, purchases and/or sales of assets or legal relationships, assumption of loans and/or issue of guarantees having, for the company and/or its subsidiaries, a total value greater than 10,000,000.00 Euro and not greater than 50,000,000.00 Euro or gross invested capital (net equity plus financial indebtedness) greater than 10,000,000.00 Euro and not greater than 50,000,000.00 Euro, or even for transactions of a lower value but functionally linked that, taken together, exceed the threshold indicated;
 - the establishment of joint ventures that involve the company and/or its subsidiaries in expenditure/investment commitments or charges of any other nature exceeding 10,000,000.00 Euro and not exceeding 50,000,000.00 Euro per individual transaction, or even for transactions of a lower value but functionally linked together that, taken together, exceed the threshold indicated;
 - (vi) approval of purchases or disposals or other acts of disposal (in any way carried out) involving equity investments, companies or business units and having for the company and/or its subsidiaries a value greater than 50,000,000.00 Euro or gross invested capital (net equity plus financial indebtedness) greater than 50,000,000.00 Euro, per individual transaction, or even for transactions of a lower value but functionally linked that, taken together, exceed the threshold indicated, except for those transactions already expressly indicated in the business and financial plan and/or the approved annual group budget;
 - (vii) approval of investments, purchases and/or disposal of assets or legal relationships, assumption of loans and/or issue of guarantees having, for the company and/or its subsidiaries, a total value greater than 50,000,000.00 Euro or gross invested capital (net equity plus financial indebtedness) greater than 50,000,000.00 Euro, or even for transactions of a lower value but functionally linked that, taken together, exceed the threshold indicated, except for those transactions already expressly indicated in the business and financial plan and/or the approved annual group budget;
 - (viii) the establishment of joint ventures that involve the company and/or its subsidiaries in expenditure/investment commitments or charges of any other nature in excess of 50,000,000.00 Euro per transaction, or even for transactions of a lower value but functionally linked that, taken together, exceed the threshold indicated, except for those transactions already expressly indicated in the business and financial plan and/or the approved annual group budget;
 - (ix) approval and amendments to the group rules, if adopted;
 - (x) approval of proposals to be submitted to the Shareholders' Meeting and the calling of the latter with regard to the transfer of the registered office, changes in share capital, issue of convertible bonds or warrants, mergers and demergers and/or amendments to the By-laws;
 - (xi) mergers by incorporation or demerger of the company pursuant to articles 2505, 2505-*bis* and 2506-*ter*, last paragraph of the Italian Civil Code; establishment and closure of secondary offices, adaptation of the By-laws to regulatory provisions. The Board of Directors may, however, refer resolutions on the matters covered by this item to the Shareholders' Meeting;
 - (xii) transactions of greater significance with "related parties";
 - (xiii) appointment and/or revocation of the Chairperson and Deputy Chairperson, except for the Chairperson appointed by the Shareholders' Meeting;
 - (xiv) appointment and/or dismissal of the Chief Executive Officer.

With the exception of the matters referred to in paragraphs (ii), (iii) and (v) above, whose quorum is an absolute majority of the Directors in office, for the remaining matters referred to above, the relevant resolutions shall be taken by open vote, with the favourable vote of at least 12 out of a total of 15 Directors.

Strategic, industrial and financial planning.

IREN S.p.A. is an industrial holding company operating through a Group divided into four main First Level Companies, as sub-holding companies of the Parent Company and Holding Company of the respective Business Units (Energy, Market, Grids and Waste Management Business Units), which operate directly and/or through companies controlled by the same subsidiaries/investees in their respective sectors. This structure is designed to strengthen the integration of the activities and asset-based characteristics of each business chain, with a view to sustainable development that is attentive to local needs.

The management and coordination activities carried out by the Parent Company IREN S.p.A. with regard to the First-Level Companies are expressly provided for and regulated in the current By-laws of IREN S.p.A. and in the By-laws of these companies, articles 15 of which expressly provides for the prior approval by the competent bodies of the Parent Company of a series of extraordinary/significant transactions involving the same, *“even though they are included in the approved multi-year business and financial plan and the annual group budget”*.

In accordance with current powers, the Business Units report to the Chief Executive Officer of the Parent Company.

Pursuant to article 26, paragraph 2 of the current By-laws of IREN S.p.A., it is expressly provided that *“the Chief Executive Officer is vested with the powers for the day-to-day management of the Company according to the advice and guidelines formulated by the Board of Directors, as well as organisational powers and operational proxies for each of the business areas organised into divisions. Where the business areas are structured in the form of companies [ed. “the First-Level Companies”], the Chief Executive Officer, on the basis of the guidelines of the Board of Directors of the holding company, exercises functions of strategic planning, indications of objectives and control over the subsidiaries and proposes to the Board of Directors the appointment and/or dismissal of the Chief Executive Officer of each first-level company”*.

..*

The Board of Directors of IREN S.p.A., during the 2020 financial year, took measures in the exercise of the management and coordination functions of the First-Level Business Companies.

In general, in line with the role assigned to it by the Code, the Board of Directors carried out the following main activities during 2021:

- a) decided the Group’s strategies, through the analysis of medium/long-term market scenarios, the understanding of the potential impact on the businesses managed by the Group and the definition of the Group’s long-term strategic advice and guidelines, with the consequent update Business Plan, the duration of which was extended to the ten-year period 2021 - 2030, as well as extraordinary and significant M&A transactions;
- b) monitored the Company’s organisational structure, internal control guidelines and the governance of administrative and accounting procedures;
- c) received constant reporting on the activities carried out by the delegated bodies;
- e) was regularly informed about the general management performance, the achievement of planned objectives and specific transactions with a potential significant impact on management parameters;
- f) approved in advance the particularly significant transactions of the subsidiaries, in compliance with the provisions of their respective By-laws; the general criteria for identifying transactions qualifying as “significant” are contained in the current By-laws of IREN S.p.A. and of the companies directly controlled by the same. If the aforementioned criteria are lacking and, in any case, if deficiencies are found, the Board of Directors shall fix them;
- g) approved, in compliance with current legislation and internal procedure, transactions with related parties.

4.2-Appointing and replacing

As already mentioned in the introductory part of the Report, the By-laws in force, which were last approved by the Board of Directors of IREN S.p.A. at the meeting held on 25 March 2020, include changes relating to the identification of shareholders and compliance with the new rules on compliance with gender quotas for the composition of the Board of Directors and the Board of Statutory Auditors.

As regards the latter, it should be noted that the current composition of the Board of Directors and the Board of Statutory Auditors of IREN S.p.A. (following the appointments made on 22 May 2019 and 06 May 2021, respectively), complies with the criteria relating to gender balance in administrative and control bodies of listed companies, most recently amended by Italian Law No. 160 of 27 December 2019.

List voting

Without prejudice to the provisions of a shareholders nature on the subject - referred to in **para. 2.6** - for the appointment of the Board of Directors, the "list voting" mechanism has been adopted, so as to guarantee a number of candidates of the less represented gender no less than two fifths, rounded down to the nearest unit if the list contains less than 5 candidates, in implementation of Article 1, paragraphs 302-304 of Italian Law 160/2019, as well as an adequate presence of Directors designated by minority shareholders. Articles 19 and 20 of the By-laws govern the terms and procedures for filing and publishing lists (in which candidates are marked with a sequential number), as well as the related documentation, in accordance with current regulations.

Pursuant to Article 20.2 of the current By-laws, the lists submitted by shareholders must be deposited at the registered office of the Company no later than the twenty-fifth day prior to the date of the Shareholders' Meeting on first or single call and published by the Company at least twenty-one days prior to the date of the Shareholders' Meeting, again on first or single call, in accordance with the procedures provided for by current regulations. Terms and procedures for filing lists are indicated by the Company in the notice of call of the Shareholders' Meeting. Each shareholder may present or contribute to the presentation of only one list, even if through a third party or trust company, and each candidate may appear on only one list under penalty of ineligibility.

Entitlement to submit lists

Only shareholders who, alone or together with other shareholders, hold at least 1% of the share capital with voting rights at the Ordinary Shareholders' Meeting, or the lower percentage that is required by law or regulations, where applicable, as indicated in the notice of call of the Shareholders' Meeting, are entitled to submit a list. In this regard, it should be noted that the shareholding required for the submission of the lists of candidates for the election of administrative bodies of IREN was identified by Consob (with Determination No. 59 of 28 January 2022) as 1%, equal to the percentage provided for by Article 20.1 of the current By-laws (the same percentage identified for the appointment of the Administrative Body in office). In order to prove ownership of the number of shares required to submit lists, shareholders must file at the Company's registered office, within the deadline set for publication of the lists by the Company, the appropriate certification proving ownership of the number of shares represented.

Shareholders belonging to the same Group and shareholders who enter into to a Shareholders' Agreement concerning shares of the Company may not submit more than one list, even via a third party or trust company.

Composition of lists

Pursuant to the By-laws, at least two Directors must meet the requirements of independence prescribed by the regulations in force at the time. Therefore, as a mechanism to ensure the election of the aforementioned minimum number of independent directors, the lists must include at least two candidates who meet the aforementioned independence requirements. The Company, in line with the provisions of the Code, expressly requests, in the notice of call of the Shareholders' Meeting, that the lists of candidates for the office of Director indicate their suitability to qualify as "independent" in accordance with both the provisions of the Consolidated Law on Finance and article 2, Recommendation 7 of the Code. All candidates must also meet the requirements of integrity prescribed by current legislation.

In implementation of article 1, paragraphs 302-304 of Italian Law 160/2019, as well as pursuant to article 19.1 of the current By-laws, the lists (excluding those composed of one or two candidates) must also include a number of candidates of the less represented gender no less than two fifths, rounded down to the nearest unit if the list contains less than 5 candidates, as provided for in the notice of call of the Shareholders' Meeting.

Together with every list and within the deadline set for the filing of the lists themselves, declarations must also be filed in which the individual candidates accept their candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements provided for by the regulations in force at the time and the By-laws for the respective offices, including whether they meet the independence requirements prescribed by the regulations in force at the time.

Pursuant to Article 19, paragraph 2 et seq. of the current By-laws, the procedures for the appointment of the Administrative Body that ensure the election of at least one minority director pursuant to Article 147-ter, paragraph 3 of the Consolidated Law on Finance, as well as the minimum number of independent directors as required by Article 147-ter, paragraph 4 of the Consolidated Law on Finance, are provided for.

Appointment mechanisms

Following the introduction of the increase in voting rights by the Shareholders' Meeting held on 9 May 2016, as well as the changes in relation to the quantitative composition of the corporate bodies referred to in the previous By-laws made at the Shareholders' Meeting held on 5 April 2019 (see **para. 4.3**) and the amendments to the By-laws approved by the

Board of Directors on 25 March 2020, without prejudice to the conditions specified in Articles 6-bis, 6-ter, 6-quater thereof, the appointment of the members of the Board of Directors shall take place as follows:

- *If the list that obtains the highest number of votes has been presented and voted by shareholders who hold at least 40% of the voting rights in Shareholders' Meeting resolutions with increased voting*, (i) thirteen members of the Board of Directors, at least six of whom are of the least represented gender, shall be taken from this list in the order in which they are listed; (ii) for the appointment of the two remaining members, the votes obtained from each of the additional lists (which have not been presented or voted by shareholders connected in accordance with the regulations in force at the time with the shareholders who presented or voted for the list that obtained the highest number of votes) are subsequently divided by one and two. The quotients thus obtained are progressively assigned to the candidates on each list, in the order provided for. The candidates are then placed in a single decreasing ranking, according to the quotients assigned to each candidate. The two candidates with the highest quotients will be elected. In the event of a tie between candidates from different lists, the last member to be elected will be the one from the list that obtained the highest number of votes or, in the event of a further tie, the most senior candidate.

- *If the list that obtains the highest number of votes has been presented and voted by shareholders who hold at least 22% of the voting rights in Shareholders' Meeting resolutions with increased voting, but less than 40%*, (i) eight members of the Board of Directors are taken from this list, four of whom are of each gender, according to the progressive order in which they are listed; (ii) five members of the Board of Directors are taken from the list that obtained the second highest number of votes, two of whom are of the least represented gender, on the basis of the progressive order in which they were listed; (iii) for the appointment of the remaining two members, the votes obtained from each of the additional lists (which have not been presented or voted by shareholders connected in accordance with the regulations in force at the time with the shareholders who presented or voted for the list that obtained the highest number of votes and the second highest number of votes) are subsequently divided by one and two. The quotients thus obtained are progressively assigned to the candidates on these various lists, in the order provided for. The candidates are then placed in a single decreasing ranking, according to the quotients assigned to each candidate. The two candidates with the highest quotients will be elected. In the event of a tie between candidates from different lists, the last member to be elected will be the one from the list that obtained the highest number of votes or, in the event of a further tie, the most senior candidate.

- *If none of the lists is presented by shareholders who hold at least 22% of the voting rights in the Shareholders' Meeting resolutions with increased voting*, (i) the votes obtained by each list are divided by progressive integers from one to the number of directors to be elected. The quotients thus obtained are progressively assigned to the candidates on these various lists, in the order provided for. The candidates are then placed in a single decreasing ranking, according to the quotients assigned to each candidate. Candidates who have the highest quotients will be elected until the number of members to be elected has been reached; (ii) in the event of a tie between candidates from different lists, the last candidate to be elected will be the one from the list that obtained the highest number of votes or, in the event of a further tie, the most senior candidate; (iii) if, as a result of the aforementioned appointments, the number of members of the less represented gender is less than six, the candidate of the most represented gender placed at last place in the ranking of the candidates elected will be replaced by the candidate of the less represented gender - if present belonging to the same list - placed first of the unelected candidates and so on until the number of candidates of the less represented gender needed to reach six is reached.

- *If only one list of candidates is submitted*, the directors will be elected from that list.

- *If no list is submitted within the statutory deadline*, the candidates proposed by the Shareholders' Meeting and voted by the latter shall be elected. Similarly, the Shareholders' Meeting will elect the Directors necessary to complete the composition of the Board, if the total number of candidates indicated in the lists voted by the Shareholders' Meeting is insufficient to achieve this result, or if at least six candidates of the less represented gender are not available. In particular, the candidates submitted to the Shareholders' Meeting must be included in one or more lists whose composition by gender must comply with the principles of proportionality provided for the submission of lists within the terms of the By-laws; where more than one list is submitted, the election of Directors will be carried out by means of the list voting mechanism, quotients, ranking lists and any replacement mechanisms provided for in the event that none of the lists is submitted by shareholders who hold a percentage of at least 22% of the voting rights in Shareholders' Meeting resolutions with increased voting.

Replacement of Directors

Without prejudice to the provisions of a shareholder nature, the replacement of Directors who leave office for any reason whatsoever is governed by Article 18, paragraph 4, of the By-laws which, while respecting the balance between genders, provides for: (i) the application of the "co-optation" mechanism referred to in Article 2386, paragraph 1, of the Italian Civil Code where the replacement Director is appointed pursuant to Article 19, paragraph 2, of the By-laws; (ii) in the case of an outgoing Director appointed pursuant to Article 19, paragraphs 3 and 4, of the By-laws, the replacement of the same by the Directors in office shall be made with the first non-elected candidates belonging to the lists in which the outgoing directors were indicated or, if not possible, pursuant to Article 2386, paragraph 1, of the Italian Civil Code.

Among the functions assigned to the Remuneration and Appointments Committee pursuant to the Code (see **para. 7**), there is also that of assisting the Board of Directors in the identification of candidates for this position of Director in the cases of co-optation pursuant to Article 2386 paragraph 1 of the Italian Civil Code, if it is necessary to replace Independent Directors, ensuring observance of the prescriptions on the minimum number of independent directors and on the quotas reserved for the less represented gender.

4.3-Succession of Directors

To date, the Board of Directors has decided to not adopt a succession plan for executive Directors, given the current shareholding structure of the Company and since the rules for their appointment and replacement are laid down in the By-laws. Furthermore, the identification of the directors expressed by the majority is defined on the basis of the shareholders' agreements between the public shareholders.

Whereas, in implementation of Recommendation No. 24 of the Code ("*24. In large companies, the board of directors: (...) defines, with the support of the Appointments Committee, a plan for the succession of the chief executive officer and executive directors that at least identifies the procedures to be followed in the event of early termination of office*"), by a resolution passed on 13 April 2021, the Board of Directors of IREN S.p.A, after preliminary investigation by the Remuneration and Appointments Committee and the Control, Risk and Sustainability Committee of IREN S.p.A., approved a contingency plan (hereinafter also the "**Plan**") for Directors holding special offices (Chairperson, Deputy Chairperson and Chief Executive Officer) of the Company.

This Plan is designed to cope, even temporarily and contingently, with any sudden early termination of office or any temporary impediment to the exercise of the office (hereinafter also the "**Event**") affecting one of the persons mentioned, making it possible to mitigate and manage the risk of a management vacancy and preserving the company from operational interruptions, in compliance with the law, the By-laws and the shareholders' agreements that regulate the governance of IREN S.p.A.

The following aspects are therefore regulated within the approved Plan:

- the actions - including in terms of information flow - to be taken in the immediate aftermath of the occurrence of an early termination from office or from a temporary impediment;
- the method of assigning proxies and the person(s) designated to take over on a provisional basis from the Director affected by an Event, for the period necessary for the appointment of a new Director in cases of early termination of office, or until the termination of the state of impediment, in cases of temporary impediment;
- the steps to be taken to identify and appoint a new Director in the event of a determination of early termination of office.

With reference to this last profile, in more detail, the Plan provides that, in the event of the absence of indications from the Syndicate Committee provided for under the Shareholders' Agreement signed between the public shareholders of IREN S.p.A. regarding the replacement of the Director affected by the Event, the Board of Directors, having consulted the above-mentioned Board Committees initiates the process for the replacement of the Director affected by the Event by engaging a consulting firm specialising in the area of personnel recruitment.

The Plan also identifies, also through reference to the document "*Guidelines of the Board of Directors of IREN S.p.A. to Shareholders on the Qualitative and Quantitative Composition of the Board of Directors*", in the version in effect *pro tempore*, the personal and professional requirements that candidates for the positions of Chairperson, Deputy Chairperson and Chief Executive Officer of the Company should hold.

4.4-Composition

With approval of the financial statements at 31 December 2018 (Shareholders' Meeting of 22 May 2019) the term of office of the Administrative Body previously in office ended.

Following the amendments to the By-laws approved by the Shareholders' Meeting on 5 April 2019, the number of Directors has been increased, with effect from the appointment of the Administrative Body for the three-year period 2019-2021, by providing for a Board of Directors composed of 15 members. The Directors, although eligible for re-election, remain in office for three years, expiring on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their term of office.

In accordance with the provisions of the By-laws previously in force and referred to in detail in the Reports on Corporate Governance and Ownership Structures pursuant to Article 123-ter relating to previous years, the Board of Directors, currently in office, is composed of 15 members, elected by the Shareholders' Meeting on 22 May 2019 for the three-year period 2019-2021. The Board's mandate therefore expires with the approval of the 2021 financial statements.

At the Shareholders' Meeting held on 22 May 2019, two lists of candidates were presented, reported below with the details of each candidate:

CANDIDATE LIST NO. 1, SUBMITTED BY THE SHAREHOLDERS: MUNICIPALITY OF GENOA THROUGH FSU - FINANZIARIA SVILUPPO UTILITIES S.R.L., MUNICIPALITY OF TURIN THROUGH FINANZIARIA CITTÀ DI TORINO HOLDING S.P.A. (FCT), MUNICIPALITY OF REGGIO EMILIA (THE LATTER ON ITS OWN AND AS AGENT OF 61 IREN PUBLIC SHAREHOLDERS LOCATED IN THE PROVINCES OF REGGIO EMILIA, PARMA AND PIACENZA), MUNICIPALITY OF LA SPEZIA (ON ITS OWN AND AS AGENT OF 25 IREN PUBLIC SHAREHOLDERS LOCATED IN THE PROVINCE OF LA SPEZIA) WHO ARE SIGNATORIES TO THE SHAREHOLDERS' AGREEMENT SIGNED ON 9 MAY 2016 AND THE RELATED ADDENDUM SUBSEQUENTLY SIGNED ON 9 APRIL 2019 WITH EFFECT FROM 5 APRIL 2019, HOLDERS OF 631,091,887 ORDINARY SHARES REPRESENTING A TOTAL OF 1,219,119,096 VOTING RIGHTS, EQUAL TO 63.09% OF THE TOTAL VOTING RIGHTS WITH REFERENCE TO THE SHAREHOLDERS' MEETING RESOLUTIONS WITH INCREASED VOTING, A LIST THAT OBTAINED 75.94% OF THE VOTES IN RELATION TO THE VOTING CAPITAL:

CANDIDATE No. 1 - Pietro Paolo Giampellegrini, born in Massa on 14 November 1968;

CANDIDATE No. 2 - Tiziana Merlini, born in Finale Ligure (SV) on 08 June 1974;

CANDIDATE No. 3 - Alessandro Giglio, born in Genoa on 30 July 1965;

CANDIDATE No. 4 - Sonia Maria Margherita Cantoni, born in Milan on 16 February 1958;

CANDIDATE No. 5 - Maurizio Irrera, born in Turin on 17 September 1958;

CANDIDATE No. 6 - Ginevra Virginia Lombardi, born in Viareggio (LU) on 04 July 1966;

CANDIDATE No. 7 - Francesca Grasselli, born in Reggio Emilia on 13 June 1979;

CANDIDATE No. 8 - Giacomo Malmesi, born in Parma on 29 October 1971;

CANDIDATE No. 9 - Gianluca Micconi, born in Ponte dell'Olio (PC) on 19 March 1956;

CANDIDATE No. 10 - Cristiano Lavaggi, born in Carrara (MS) on 08 August 1975;

CANDIDATE No. 11 - Renato Boero, born in Turin on 09 March 1962;

CANDIDATE No. 12 - Moris Ferretti, born in Reggio Emilia on 28 May 1972;

CANDIDATE No. 13 - Vito Massimiliano Bianco, born in Gioia del Colle (BA) on 30 August 1971;

CANDIDATE No. 14 - Renata Olivieri, born in Cassine (AL) on 14 December 1943;

CANDIDATE No. 15 - Paolo Chiussi, born in Reggio Emilia on 03 October 1973.

CANDIDATE LIST NO. 2, SUBMITTED BY MINORITY SHAREHOLDERS AMUNDI ASSET MANAGEMENT SGR S.P.A. (MANAGER OF THE FUNDS: AMUNDI RISPARMIO ITALIA AND AMUNDI SVILUPPO ITALIA), ANIMA SGR S.P.A. (MANAGER OF THE FUNDS: ANIMA GEO ITALIA, ANIMA ITALIA, ANIMA CRESCITA ITALIA AND ANIMA INIZIATIVA ITALIA), ARCA FONDI SGR S.P.A. (MANAGER OF THE FUNDS: ARCA AZIONI ITALIA AND ARCA ECONOMIA REALE BILANCIATO ITALIA 30), EURIZON CAPITAL SGR S.P.A. (MANAGER OF THE FUNDS: EURIZON PROGETTO ITALIA 20, EURIZON PIR ITALIA 30, EURIZON PROGETTO ITALIA 70, EURIZON AZIONI ITALIA, EURIZON PIR ITALIA AZIONI, EURIZON AZIONI PMI ITALIA AND EURIZON PROGETTO ITALIA 40), EURIZON CAPITAL S.A. (MANAGER OF THE FUNDS: EURIZON FUND – EQUITY SMALL MID CAP ITALY AND EURIZON FUND – EQUITY ITALY), FIDEURAM ASSET MANAGEMENT (IRELAND) – FONDITALIA EQUITY ITALY, FIDEURAM INVESTIMENTI SGR S.P.A. (MANAGER OF THE FUNDS: FIDEURAM ITALIA, PIANO AZIONI ITALIA, PIANO BILANCIATO ITALIA 50 AND PIANO BILANCIATO ITALIA 30), INTERFUND SICAV INTERFUND EQUITY ITALY, KAIROS PARTNERS SGR S.P.A. (AS MANAGEMENT COMPANY OF KAIROS INTERNATIONAL SICAV KEY FUND), MEDIOLANUM GESTIONE FONDI SGR S.P.A. (MANAGER OF THE MEDIOLANUM FLESSIBILE FUTURO ITALIA AND MEDIOLANUM FLESSIBILE SVILUPPO ITALIA FUNDS), MEDIOLANUM INTERNATIONAL FUNDS LIMITED - CHALLENGE FUNDS - CHALLENGE ITALIAN EQUITY; PRAMERICA SICAV - ITALIAN EQUITY FUND; AND PRAMERICA SGR S.P.A. - MULTIASSET ITALIA & MITO 50 FUND, HOLDERS OF 55,259,521 SHARES EQUAL TO 4.248% OF THE VOTING SHARES OF IREN S.P.A., WHICH OBTAINED 23.46% OF THE VOTES IN RELATION TO THE VOTING CAPITAL:

CANDIDATE No. 1 - Licia Soncini, born in Rome on 24 April 1961;

CANDIDATE No. 2 - Enrica Maria Ghia, born in Rome on 26 November 1969.

Being the CANDIDATE LIST NO. 1 submitted by shareholders who together represented more than 40% of the voting rights, it was envisaged that if the same list obtained the highest number of votes at the Shareholders' Meeting, for the election of the members of the Board of Directors, the then current Article 19.2 of the By-laws would apply, which is why 13 members of the Board were taken from list No. 1. While the remaining 2 members have been taken from list No. 2.

Following the vote, the Board of Directors was composed as follows:

- 1) Renato Boero (Chairperson);
- 2) Moris Ferretti (Deputy Chairperson);
- 3) Vito Massimiliano Bianco (Chief Executive Officer);
- 4) Pietro Paolo Giampellegrini;
- 5) Tiziana Merlini;
- 6) Alessandro Giglio;
- 7) Sonia Maria Margherita Cantoni;
- 8) Maurizio Irrera;
- 9) Ginevra Virginia Lombardi;

- 10) Francesca Grasselli;
- 11) Giacomo Malmesi;
- 12) Gianluca Micconi;
- 13) Cristiano Lavaggi;
- 14) Licia Soncini;
- 15) Enrica Maria Ghia.

Following the resignation on 29 May 2021, of Mr. Bianco from the positions of Director and Chief Executive Officer, as well as the resignation from the position of General Manager of IREN S.p.A., the Board of Directors, meeting on 29 May 2021, and having ascertained the requirements for assuming the position, appointed by co-option Mr. Gianni Vittorio Armani as a new member of the Board of Directors of IREN S.p.A., also appointing him as Chief Executive Officer and General Manager of IREN S.p.A. and granting him the relevant powers.

From 29 May 2021 to the date of this Report, there here have been no changes in the composition of the Board.

Based on the criteria established by the Code, the Board of Directors includes three executive directors, consisting of the Chairperson, the Deputy Chairperson and the Chief Executive Officer. The remaining twelve directors can be qualified as “non-executive”, since they have not been assigned management delegations and/or do not hold executive positions; among these is the position of Chairperson of the Board of Directors (without any operational delegation) in the First Level Companies of the IREN Group (100% controlled by the Parent Company). During the financial year, the “non-executive” directors actively participated, with authority and competence, in the discussion of the matters examined by the Board.

As regards the non-executive directors in office as at 31 December 2021, with the exception of Ms. Soncini (already in office in the previous term), all the others were appointed for the first time to the position of Director of IREN S.p.A. by the Shareholders’ Meeting of 22 May 2019.

More details on the functioning and composition of the Board are provided in **Table 2** annexed to this report. The personal and professional characteristics of each director are indicated in **Annex 1** at the end of this Report.

4.5-Criteria and diversity policies within the administrative body: evaluations and strategic guidelines of the previous Board on the size, competence and professionalism of the current Board, also in relation to gender quotas.

In view of the renewal of the administrative body scheduled to take place at the Shareholders’ Meeting to approve the Financial Statements as at 31 December 2021, based on a preliminary investigation conducted by the Remuneration and Appointments Committee, at the meeting held on 13 April 2022, consistent with the provisions of Recommendation no. 23 of the Corporate Governance Code (January 2020 edition), the Board of Directors, on 20 April 2022, formulated its guidelines to the Shareholders on the quali-quantitative composition of the Board of Directors for the three-year period 2022-2024, also providing indications (i) on the size of the Board of Directors itself and of the Committees constituted within it, (ii) on the professional and managerial figures whose presence on the administrative body would be deemed appropriate; (iii) regarding the maximum number of positions of Directors compatible with holding office at IREN S.p.A. as well as (iv) with regard to the adequacy of the remuneration recognised for holding the office of Director and member of the Board Committees. This document (available to the public on the Company’s website www.gruppoiren.it in the section *Investors - Corporate Governance - Shareholders’ Meetings - 2022 - Ordinary Shareholders’ Meeting of IREN S.p.A. convened on single call for 21 June 2022*) was disseminated and made available to the Shareholders’ Meeting, in order to allow shareholders to make the necessary assessments in view of the appointment of the Board of Directors for the three-year period 2022-2024.

As far as the quantitative aspect is concerned, in accordance with best practices in the field of corporate governance, the number of members of the administrative body must be established to an adequate extent in relation to the size and complexity of the Company’s organisational structure, in order to effectively oversee the Company’s entire operations, both in terms of management and control. The correct size of the administrative body is also determined in relation to the number and composition of the Board committees, which have advisory, propositional and investigative functions in which a decisive role is entrusted to non-executive and independent Directors.

With reference instead to qualitative aspects, without prejudice to the provisions of the By-laws concerning the possession of the requirements of good repute, the Board of Directors formulated a wish that, for the composition of the Board of Directors appointed for the three-year period 2022-2024, different professional and managerial profiles should be combined, recognising the value attributed to the complementarity of experience and skills, together with gender and age diversity, for the proper functioning of the Board itself.

With specific reference to gender diversity, taking into account the adjustment, in March 2020, of the By-laws to implement the regulations regarding “gender quotas” (adjustment to Law 157/2019, which converted Decree Law 124/2019), the Board of Directors considered that this is adequately represented on the current administrative body and - in light of this - expressed a wish for this representation to be maintained in the future. With regard to the adoption by the Company of measures to promote equal treatment and opportunities between genders within the entire corporate organisation, please refer to the specific section of the 2021 Sustainability Report, available on the company’s website www.gruppoiren.it.

4.6 -Induction programme and board evaluation

Induction Programme

The Chairperson ensures participation of all the members of the board of directors and control body, after the appointment and during the mandate, in initiatives aimed at providing them with adequate knowledge of the industry in which the Issuer operates, the company dynamics and their evolution, also in relation to the Issuer’s sustainable success. Such initiatives also cover the risk management issues as well as any relevant part of the regulatory and self-regulatory framework.

In this regard: the Directors actively participated in the meetings of the Board of Directors and the Board Committees, receiving ample information on matters related to decisions to be made. Also in 2021, in continuity with previous years, both in the context of formal Board meetings and in meetings accompanying them, training sessions were organised in which the CEO, Business Unit Directors or Senior Executives with strategic responsibilities illustrated the strategic planning process that led to the definition of the 2021-2030 Business Plan, among others with specific focus on sustainability objectives and targets of the Plan.

In addition, during 2021, also considering what emerged from the Board assessment process, an induction path was structured with the help of a consulting firm, on the reality of Iren to foster knowledge of the Group in terms of organisation, business and strategy, focused on heterogeneous but complementary topics, including regulatory framework and sustainability, designed to optimise learning and organised in a way compatible with the directors’ commitments. This path has been prepared in such a way that it can be replicated in subsequent terms. The path covered the following topics: M&A, Business and Risk Management, Sustainability as an Element of Value Creation, By-laws, Shareholders’ Agreements and Liability Profiles; Venture Capital and Innovation, Italian Equity Assets and Institutional Investors. Each of the six sessions was held with talks by consultants and testimonies by company managers.

At the urging of the Chairperson, as per practice and in line with the provisions of the Corporate Governance Code, participation in courses and conferences for the benefit of board members and members of the Board of Statutory Auditors was favoured and encouraged. These are training and in-depth events on the duties and responsibilities inherent in the office of members of the administrative and control bodies of listed companies, in line with the recommendations of the Corporate Governance Code, aimed at the members of corporate bodies in office in listed companies.

Due to the health emergency, participation in almost all of these events and activities took place remotely.

During the year, as the health emergency eased, a visit to a plant complex in the hydroelectric power generation sector could also be conducted.

All the aforementioned initiatives have been, in various ways, important training, information and communication opportunities, in relation to the corporate, economic, social and environmental aspects.

Board Evaluation

During 2021, in compliance with the provisions of article 4 and in particular, principle XIV of the Corporate Governance Code for Listed Companies, in line with international “best practices” and as recommended in the letter of 03 December 2021 from the Chairperson of the Italian Corporate Governance Committee, the Board of Directors, after an investigation conducted by the Remuneration and Appointments Committee with the assistance of an external consultant, carried out - and completed in February 2022 - the annual self-assessment activity, referring to the 2021 financial year, on the functioning of the Board itself and its Committees as well as on their size and composition (board evaluation), also taking into account elements such as the professional characteristics, experience, including managerial experience of its members, their seniority in office and taking into account the diversity criteria pursuant to principle VII and Recommendation 8 of the Corporate Governance Code.

In carrying out this activity, the aforementioned Committee decided - as in the previous two years - to make use of an external consultant, who provided assistance during the three-year mandate of the Board of Directors. In compliance with the procedures in force in the IREN Group on the subject, following a beauty contest, the task of support in carrying out the board evaluation activity was entrusted to EY Advisory S.p.A., a consulting firm

specialising in, among other things, corporate governance issues, which provided further services to IREN or its subsidiaries in legal and tax matters and in the development of skills of a nature and entity such as not to prejudice the characteristics of independence required by the task.

FY	Method
2019	<p>Board evaluation (1st year of office)</p> <ul style="list-style-type: none"> - selection, by the Committee, of an independent consultant to assist in carrying out board evaluation activities for the three years of the Board 's term of office; - kick - off with the Committee and the Chairperson of the Board of Directors to share expectations, aims and tools for activities; - meetings of the Committee and the Board of Directors to approve the contents of the self-assessment questionnaire (with customised contents taking into account the fact that 2019 was the first year of the current Board mandate); - conducting individual interviews with the Directors; - submission of the results of the board evaluation to the Committee and the Chairperson of the Board of Directors and, subsequently, to the entire administrative body; - identification of the corrective actions recommended as a result of the board evaluation to be implemented in 2020.
2020	<p>Board evaluation (2nd year of office)</p> <ul style="list-style-type: none"> - updating the questionnaire outline and preparing two new questionnaire outlines for individual self-assessment of directors and hetero-assessment of Privileged Observers by the consultant in collaboration with the Committee, the Chairperson of the Board of Directors and other executive Directors; - conducting individual interviews of Directors and Privileged Observers aimed at gathering the necessary information; - submission of the results of the board evaluation to the Committee and the Chairperson of the Board of Directors and other executive Directors and, subsequently, to the entire administrative body; - identification of the corrective actions recommended as a result of the board evaluation to be implemented in 2021.
2021	<p>Board evaluation (3rd year of office)</p> <ul style="list-style-type: none"> - introduction of some questions regarding possible shareholder guidance from the Board of Directors on the composition of the future governing body and retention of the instrument of hetero-assessment of Privileged Observers; - analysis of changes on self-assessment outcomes over the three-year period to highlight the main improvements over the term and over the two-year period with reference to hetero-assessment (first launch of this survey in 2020); - conducting individual interviews of Directors and Privileged Observers aimed at gathering the necessary information; - submission of the results of the board evaluation to the Committee and the Chairperson of the Board of Directors and other executive Directors and, subsequently, to the entire administrative body; - identification of key evidence, in terms of recommended actions for the successor Board, as a preliminary guide when first taking office, and guidance for shareholders on the qualitative and quantitative composition of the Board.

Consistent with the tasks assigned to it by the administrative body, the Remuneration and Appointments Committee and the Chairperson of the Board of Directors played a central role in the activity in question, supervising the preparation of the contents of the self-assessment and hetero-assessment questionnaire by the external consultant.

Specifically, the self-assessment process has developed through five stages:

1. introduction of a number of questions regarding possible shareholder guidance from the Board on the composition of the future governing body, through the collection of qualitative feedback on possible quali-quantitative characteristics and suggested actions, in order to provide the next Board with useful guidance at the initial establishment stage;
2. validation of questionnaires (submitted to the Board of Directors on 03 November 2021);
3. conducting individual interviews with Directors and Privileged Observers, aimed at gathering the information needed to complete the questionnaire;
4. report by the consultant of the findings and indications gathered during the interviews and analysis of changes over the three-year period on the outcomes of the self-assessment;
5. presentation of the outcomes to the Board of Directors, at its meeting on 15 February 2022, for discussion of the main evidences, in terms of recommended actions to the successor Board, as a preliminary guide when first taking office, and guidance for shareholders on the qualitative-quantitative composition of the Board of Directors, with an illustration of the main areas that, during the term of office, have maintained constant ratings and have recorded aspects for improvement.

The traditional self-assessment questionnaire and the interviews with the Councillors involved: (i) Composition of the Board of Directors; (ii) Operation and information flows; (iii) Participation in the strategic guidance process; (iv) Effectiveness of the Committees; (v) Internal and external relations of the Board of Directors; (vi) Additions of the 2020 Corporate Governance Code.

In continuity with last year, the tool of hetero-assessment of the Privileged Observers (Director of Administration Finance and Control; Director of Legal and Corporate Affairs; Secretary of the Board of Directors; Corporate Manager - Secretary

of the Board Committees) was confirmed, the results of which were compared with those recorded in 2020 (the first year of the launch of this survey).

The Board of Directors, at its meeting on 15 February 2022, reviewed the aggregate results of the self-assessment and hetero-assessment questionnaires, in which it was found that, with respect to the six macro areas of the survey, the average scores remained essentially stable, with a significant improvement in the area related to Internal and External Relations of the Board due as much to the adoption of policies for managing engagement with shareholders and investors as to the good climate established within the Board.

From the survey of Privileged Observers, among the issues that scored higher were both the transparency and effectiveness that characterise the relations between the Board of Directors and the Committees and the Board's focus on the company's pursuit of sustainable success.

In the meantime, with reference to some aspects investigated, a slight worsening was shown with an increase in those who gave a negative opinion with respect to certain questions.

With reference to the component represented by the Independent Directors (made up of 9 Directors during 2021), also this year, the results of the board evaluation activity are substantially in line with the results of the overall self-assessment of all the members of the Board of Directors.

In any case, several areas of potential focus emerged in the individual interview, consistent with both the traditional board self-assessment and hetero-assessment perspectives, which are useful to both shareholders and the future Board in terms of the board's composition and functioning, at least in the first phase of its establishment.

Among the profiles brought to the attention of the Board of Directors by certain Directors, as useful ideas for the future Board, we would like to highlight:

- (i) the appropriateness, when renewing the Board of Directors, of the increase in the number of Directors with economic-financial skills and a substantial business background, also focusing on the presence of specific skills on the issue of sustainability, in the face of the peculiarity of the company's business;
- (ii) greater generational heterogeneity through the inclusion of Directors with lower ages than the current average;
- (iii) improvement of the timing of the transmission of documentation by the facilities so as to facilitate the Directors in their examination thereof and enable them to be better prepared for the Board sessions, including through the preparation by the facilities of more concise documents and/or provided with executive summary;
- (iv) promotion of an induction course with a focus on business from the first year of the term, thus providing newly appointed Directors with support on the operation of the company and processes, including technical ones, while maintaining continuous training throughout the term.

4.7-Role of the Chairperson of the Board of Directors

In the exercise of the functions assigned to him/her by the law, the By-laws and other corporate documents, in line with the provisions of the Corporate Governance Code, the Chairperson of the Board of Directors acts as a liaison between the executive and non-executive Directors and, with the support of the Secretary, ensures the effective functioning of the Board's activities.

In particular, also in accordance with the provisions of the Regulation for the Functioning and Management of Board Disclosures approved on 15 February 2022, the Chairperson, with the assistance of the Secretary, ensures:

- (i) the pre-meeting information and the complementary information provided during the meetings are suitable to allow Directors to act in an informed manner in the enactment of their role.

For these purposes, for the discussion of the items on the agenda, supporting documentation is made available to the Directors and Auditors, through the special IT system (Iren BoD Area), in order to provide them with the information they need to adequately understand and assess the issues, in relation to the subject of the resolutions that the Board of Directors is expected to take during the meeting. The Chairperson, with the support of the Secretary, ensures that the information documents are prepared by the competent Functions of Iren S.p.A. and/or - through and in coordination with the Managers of the First Level Business Units - Companies and/or the main subsidiaries, depending on the subject to be submitted to the Board of Directors. The aforementioned Functions, with adequate advance in order to allow compliance with the deadline identified as appropriate for making the documentation available to the Secretary after having acquired the authorisation of the Delegated Body to which they respond.

- (ii) the activities of the Board Committees are coordinated with those of the Board of Directors.

For these purposes, liaison takes place through the constant exchange of information and sharing of documentation between the Board Secretariat and the Committees' Secretariat, including for the purpose of setting the calendar and agendas for their respective meetings.

In particular, for the purposes of preparing the information documentation for the meetings of the Board of Directors, if the Control, Risk and Sustainability Committee and/or the Remuneration and Appointments Committee and/or the Related Party Transactions Committee are expected to carry out the related preliminary, recommendatory or advisory activities, the documentation prepared or reviewed by these Committees is sent to the Chairperson of the Board of Directors by the Committees' Secretariats through the Secretary of the Board. The documentation thus received is made available to the Board of Directors.

As indicated in paragraph 4.1, meetings of the Board of Directors are normally attended by the Director of Administration, Finance and Control - Financial Reporting Manager, the CEO Office Manager, the Director of Legal and Corporate Affairs and the Corporate Manager, as well as any other executive or manager as decided by the Chairperson, after consulting the Deputy-Chairperson and the CEO.

The Chairperson - in agreement with the CEO and/or the Deputy Chairperson, depending on the issues to be discussed during the meeting - works together with the Secretary so that the Executives of the Company and those of the Group companies belonging to it, the Managers of the corporate departments responsible for the relevant issues, as well as other subjects or external consultants can take part in the Board's meetings, also upon request of single Directors, in order to provide any in-depth information on the issues on the agenda, as well as any additional information with regard to the pre-meeting documents made available in the Board's Area. These individuals are required to comply with the confidentiality requirements applicable to board meetings.

iii) with the support of the competent Remuneration and Appointments Committee, the adequacy and transparency of the self-evaluation process of the Board of Directors. In this regard, please refer to paragraph 4.6 above.

With reference to the dialogue that took place with shareholders, where relevant, the Chairperson in conjunction with the Deputy Chairperson and the CEO provided information to the Board of Directors. Specifically, during 2021, a one-way engagement meeting - attended by directors and auditors - was held via video conference on 10 June, organised at the request of Assogestioni, on behalf of the Managers' Committee pursuant to the Managers' Committee Operating Protocol and the Italian Principles of Stewardship. A report was formalised of the meeting by the Chairperson at a subsequent Board meeting.

Board Secretary

As required by art. 22.2 of the By-laws, the Chairperson, in order to carry out its functions, on 19 May 2019, on the occasion of the first meeting of the Board of Directors, appointed the Secretary of the Board of Directors.

The Regulation for the Functioning and Management of Board Disclosures approved on 15 February 2022 envisages that, effective from the first renewal of the Board of Directors following the approval of the regulations, taking into account the recommendations of the Corporate Governance Code, the Chairperson shall appoint the Secretary after first hearing the Board of Directors.

As a general rule, the Secretary shall be selected from among Executives of the Company with appropriate expertise and experience in corporate law and corporate governance. These requirements must be met even if the Secretary is selected from outside the Company.

The Secretary supports the activities of the Chairperson of the Board of Directors, according to the terms described in the aforementioned Regulations, and provides impartial assistance and advice to the Chairperson, the Deputy Chairperson and the CEO as well as to all the other Members of the Board of Directors on any aspect relevant to the proper functioning of the Board of Directors.

For the purposes of advising and assisting the Board of Directors on the corporate governance system, the Secretary coordinates with the corporate organisational departments responsible for such matters (corporate law and governance), as well as with the Secretariats of the Board Committees.

In addition to the duties set forth in other provisions of the Regulation, as previously indicated, the Secretary shall support the Chairperson in ensuring that the activities of the Committees are coordinated with those of the Board of Directors, for which purpose he or she shall liaise with the Committees' Secretariats.

Further information on the role of the Chairperson of the Board of Directors is also provided in paragraph 4.8 "Executive Directors" below.

4.8-Executive directors

Pursuant to article 25.2 of the current By-laws, the Board of Directors delegates its powers to one or more of its members, subject to the limits set forth in art. 2381 Italian Civil Code and, in particular, may grant the Chairperson, Deputy Chairperson, and Chief Executive Officer delegated powers, provided they do not conflict with each other. It is also provided that it falls within the powers of the Chairperson, the Deputy Chairperson and the Chief Executive Officer, within the limits of the powers assigned to them, to grant proxies and powers of representation of the company for individual acts or categories of acts to employees of the company and also to third parties. Finally, the Board may appoint, for individual acts or categories of acts and also on an ongoing basis, attorneys, determining their powers and attributions, including the use of the company's signature.

Chairperson of the Board of Directors

By resolution of 22 May 2019, immediately following the Shareholders' Meeting that appointed the administrative body of IREN S.p.A. for the three-year period 2019-2021, the Board of Directors of the Company, after taking note of the appointment by the meeting of Mr. Renato Boero as Chairperson of the Board of Directors, proceeded to assign to him functions and proxies in relation to the aforementioned office.

On this occasion it was, in particular, established that the following functions report to Mr. Renato Boero, as Executive Chairperson of the Company: (i) Corporate Secretariat of the IREN Board of Directors; (ii) Communications and External Relations; (iii) Institutional Relations (including relations with Regulators, Regions and Local Authorities); (iv) Merger & Acquisition; all within the organisational structure established by the CEO, consistent with the functions assigned to the Chairperson. With regard to the functions related to "Merger & Acquisition ("M&A")", "Communications and External Relations", and "Institutional Relations", the Chairperson informs the Chief Executive Officer for the purpose of ensuring appropriate coordination of corporate activities and the Group as a whole.

The Board of Directors has granted the same with the corporate signature and all powers within the scope of the powers granted within the commitment limits indicated below, including active and passive legal and procedural representation pursuant to Article 22 of the current By-laws. To the same has also been granted the powers to take any decision falling within the competence of the Board of Directors as a matter of urgency, together with the Chief Executive Officer and/or the Deputy Chairperson, and to notify the Board of Directors at the first subsequent meeting.

The Chairperson is assigned the task of submitting proposals for resolutions to the Board of Directors, to the extent attributed to their competence.

The Chairperson, with the exclusion of that reserved by law and/or the By-laws for the Shareholders' Meeting and/or the Board of Directors and in compliance with the limits of commitment, without prejudice to the limits set out in Article 25 of the By-laws, has also been granted the powers and proxies to:

- (i) preside over and direct the conduct of the Shareholders' Meeting;
- (ii) establish the agenda of the Board of Directors, taking into account the proposals of the Chief Executive Officer and the Deputy Chairperson and/or other Directors;
- (iii) chair and direct the work of the Board of Directors and manage the secretariat of the Board of Directors of Iren S.p.A.;
- (iv) implement, to the extent of their competence, the decisions of the Shareholders' Meeting and the Board of Directors;
- (v) manage external communications of an institutional nature of the Company and the Group, interacting where appropriate with the investee companies concerned or through the same;
- (vi) manage the promotion and publicity activities for the image of the Company and the Group;
- (vii) represent the Company and the Group in institutional relations;
- (viii) manage Group sponsorships directly or through Group companies in line with the budget;
- (ix) analyse, prepare and submit to the Board of Directors extraordinary mergers & acquisitions transactions including purchases or disposals or other acts of disposals (in any way carried out) relating to corporate holdings and companies, to sign confidentiality agreements, letters of intent and agreements for the performance of the related due diligence activities;
- (x) entrust professional assignments of any type functional to mergers & acquisitions transactions with a spending limit of 500,000.00 Euro within the Group procedures and through the competent functions;
- (xi) implement - in the interest of the Company and the Group - merger & acquisition transactions with the following limitations:
 - A. purchase or sale transactions or other acts of disposal (in any way carried out) involving equity investments, companies or business units and having a value for the company and/or its subsidiaries not exceeding 10,000,000.00 Euro or gross invested capital (net equity plus financial indebtedness) not exceeding 10,000,000.00 Euro, per individual transaction, or even for transactions of a lower value, but functionally linked, which taken together do not exceed the threshold indicated;

- B. the establishment of joint ventures that involve the company and/or its subsidiaries in expenditure/investment commitments or charges of any other nature not exceeding 10,000,000.00 Euro per transaction, or even for transactions of a lower value, but functionally linked to each other, which taken together do not exceed the threshold indicated;
- transactions and constitutions referred to in points (A.) and (B.) above, of value / expenditure / investment commitments even exceeding the limits of 10,000,000.00 Euro, if they are expressly and analytically indicated in the approved business and financial plan and/or in the approved annual Group budget.

Finally, the Board of Directors has established: (i) that all the powers conferred on the Chairperson, unless otherwise established, are exercised with individual signature, with the right to sub-delegate; (ii) that the Chairperson, as the person in charge of managing the risks relating to their proxies, acts in conjunction with the Deputy Chairperson; (iii) that the Chairperson is entrusted with the coordination of the activities that Internal Audit will carry out on the functions for which the Deputy Chairperson is responsible as well as on the companies in which the Deputy Chairperson of Iren may hold the position of Director.

The Deputy Chairperson of the Board of Directors

By resolution of 22 May 2019, immediately following the Shareholders' Meeting that appointed the administrative body of IREN S.p.A. for the three-year period 2019-2021, Moris Ferretti was appointed as Executive Deputy Chairperson of IREN S.p.A. by the Board of Directors. On that occasion, it was agreed that the Deputy Chairperson should be tasked with the following functions: (i) Corporate Affairs; (ii) Corporate Compliance; (iii) Corporate Social Responsibility (which is also responsible for supporting the activities of the Local Committees); (iv) Risk Management; (vi) Internal Auditing, all as part of the organisational structure established by the Chief Executive Officer consistent with the aforementioned functions. Moris Ferretti, as Deputy Chairperson, has also been granted the corporate signature and all powers within the scope of the powers granted within specific limits of commitment, as set out below, including active and passive legal and procedural representation pursuant to Article 22 of the By-laws.

The Deputy Chairperson is assigned the task of submitting, to the extent attributed to them and not delegated, resolution proposals to the Board of Directors.

They operate on the basis of the multi-annual plans and annual budgets approved by the Board of Directors and guarantee and verify, as far as they are concerned, compliance with the resulting management guidelines. With specific reference to the Corporate Affairs and Risk Management function, the Deputy Chairperson works in advance and in liaison with the Chief Executive Officer in order to ensure appropriate coordination of the company's activities and those of the Group as a whole.

The Deputy Chairperson has been granted the powers to take any decision falling within the competence of the Board of Directors as a matter of urgency, together with the Chairperson and/or the Chief Executive Officer, notifying the Board of Directors at the next subsequent meeting.

In accordance with Article 25.2 of the By-laws, with the exclusion of that reserved by law and/or the By-laws for the Shareholders' Meeting and/or the Board of Directors, and in particular without prejudice to the limits set out in Article 25 of the By-laws, the Deputy Chairperson has also been granted the following powers and proxies:

- (i) implement, to the extent of their competence, the decisions of the Shareholders' Meeting and the Board of Directors;
- (ii) verify implementation of the corporate governance rules also in implementation of the powers reserved for the Board of Directors;
- (iii) verify execution of the resolutions of the Company's collegial bodies and the indications of the internal Committees also on the basis of the reports that the internal auditing service produces regularly;
- (iv) manage the 231/01 system, including through updates and adjustments of the management and control organisation model and related protocols, without prejudice to the autonomy and independence of the Supervisory Board;
- (v) manage the Privacy System (GDPR) in support of the Owner and the Data Protection Officer (DPO);
- (vi) verify the quality indicators provided and monitoring the perceived quality indicators and the issues related to environmental impacts and social sustainability (corporate social responsibility) of company activities and processes;
- (vii) prepare, also with the support of the Communication and Image function, the draft social sustainability report (corporate social responsibility) to be submitted to the Board of Directors;
- (viii) propose to the Board of Directors the candidates for members of the Committees (Internal Committees of the Corporate Governance Code of the Stock Exchange and Local Committees);
- (ix) issue guidelines on the functioning of the Local Committees and supervising their activities, verifying their effectiveness and the frequency of meetings;
- (x) verify the integrated management of the Group's Enterprise Risk Management (ERM) System: methodological

- approach, definition of policies and monitoring of the System;
- (xi) in conjunction with the Chief Executive Officer, take out and manage insurance policies with the support of the “Procurement, Logistics and Services” and “Legal Affairs” functions;
- (xii) entrust professional assignments of any type functional to the matters falling within the Deputy Chairperson’s area of responsibility with a spending limit of 500,000.00 Euro within Group procedures and through the competent functions;
- (xiii) propose to the Board of Directors, in agreement with the Chairperson, the appointment, dismissal and remuneration of the operating manager of the Internal Auditing function;
- (xiv) the Deputy Chairperson, within the scope and limits of their powers, in conjunction with the Chairperson and the Chief Executive Officer, is responsible for supervising the functionality of the internal control system. To this end, as far as he/she is responsible, the Deputy Chairperson:
 - A. supports the Control and Risk Committee in the activity of identifying the main business risks, taking into account the characteristics of the activities performed by the Company and by its subsidiaries and in the periodic submission of the same to the examination of the Board of Directors,
 - B. executes the guidance defined by the Board of Directors ensuring that the competent corporate structures plan, put in place and manage the internal control and internal auditing system, checking constantly its overall adequacy, effectiveness and efficiency, acting also to adapt this system to the trends in the operating conditions and the legislative and regulatory framework.

Finally, the Board of Directors has established: (i) that within the scope of the direction and management of the Internal Auditing function, the coordination of activities that Internal Audit will carry out as regards the functions and activities for which the Deputy Chairperson is responsible as well as in relation to the companies in which the Deputy Chairperson of Iren holds the position of Director, will be delegated to the Chairperson; (ii) that all the powers conferred on the Deputy Chairperson, unless otherwise established, are exercised with individual signature, with the right to sub-delegate.

Chief Executive Officer (CEO) and General Manager

In the current Board term of office, the Board of Directors has proceeded in accordance with Article 26 of the By-laws, which provides that the Board of Directors, by qualified majority, as per Article 25.5 (xi) of the same By-laws, appoints a Chief Executive Officer who is vested with powers for the day-to-day management of the Company in accordance with the guidelines and policies formulated by the Board of Directors, as well as organisational powers and operational proxies for each of the business areas if they are organised into divisions.

Where, as envisaged in the current organisational structure of the IREN Group, the business areas are structured in the form of companies, the Chief Executive Officer, based on the guidelines of the holding company’s Board of Directors, exercises functions of strategic planning, indication of objectives and control over the subsidiaries and proposes to the Board of Directors the appointment and/or dismissal of the Chief Executive Officer of each First Level Company.

The Board of Directors, held on 22 May 2019 immediately following the Shareholders’ Meeting that appointed the administrative body for the three-year period 2019-2021, confirmed Massimiliano Bianco as Chief Executive Officer of the Company, with attribution of the related powers.

Following the resignation on 29 May 2021, of Mr. Bianco from the positions of Director and Chief Executive Officer, as well as the resignation from the position of General Manager of IREN S.p.A., the Board of Directors, meeting on 29 May 2021, and having ascertained the requirements for assuming the position, appointed by co-option Mr. Gianni Vittorio Armani as a new member of the Board of Directors of IREN S.p.A., also appointing him as Chief Executive Officer and General Manager of IREN S.p.A. and granting him the relevant powers.

The Chief Executive Officer is vested with:

- the corporate signature and all powers within the scope of the powers conferred within the limits of the commitment indicated below, including, among other things, active and passive legal and procedural representation as provided for under Article 22 of the By-laws. The Chief Executive Officer has also been assigned the task of submitting proposals for resolutions to the Board of Directors, except for matters falling within the competence of the Chairperson and Deputy Chairperson and those delegated to them. They operate on the basis of the multi-annual plans and annual budgets approved by the Board of Directors and guarantee and verify compliance with the resulting management guidelines;
- pursuant to Articles 25.2 and 26.2 of the By-laws, the delegation of management and administration of the Company until dismissal or resignation, with the exclusion of that reserved by law and/or the By-laws for the Shareholders’ Meeting and/or the Board of Directors;
- the powers to take any decision falling within the competence of the Board of Directors on an urgent basis, together with the Chairperson and/or Deputy Chairperson, and to notify the Board of Directors at the first subsequent meeting.

In the current term of office, the following main functions report to the Chief Executive Officer: (i) Administration, Finance and Control (including Investor Relations); (ii) Personnel, Organisation and Information Systems; (iii) Procurement, Logistics and Services; (iv) Legal Affairs; (v) Strategies, Studies and Regulatory Affairs; (vi) Waste Management, Energy, Market and Grids Business Units.

Moreover, taking into account the significant size of the Company and the Group, with a view to overseeing and governing management and strategic activities with a unified vision in order to achieve the Group's objectives, the Board has established that the Chief Executive Officer should be informed of the following areas attributed to the Chairperson and Deputy Chairperson, which do not conflict with and in any case do not affect the powers and proxies attributed to the latter:

- "Merger & Acquisition ("M&A")", which reports to the Chairperson;
- "Institutional Relations", which reports to the Chairperson;
- "Communication and External Relations", which reports to the Chairperson;
- "Corporate Affairs", which reports to the Deputy Chairperson;
- "Risk Management", which reports to the Deputy Chairperson.

The Chief Executive Officer has been granted, by way of example but not limited to the above, the following powers and proxies, to be exercised within the limits of the law and the By-laws and in particular without prejudice to the limits set forth in Article 25 of the By-laws:

- (i) implement the decisions of the Shareholders' Meeting and the Board of Directors, except where the Chairperson and Deputy Chairperson are responsible;
- (ii) implement the Group's corporate strategies, within the framework of the directives established by the Board, and exercise the delegated powers, and in particular those listed herein, in accordance with such strategies and directives;
- (iii) exercise, on the basis of the guidelines of the Board of Directors, management, coordination and control functions, and in particular organisation and strategic planning, with indication of objectives and with monitoring and control of activities and results concerning the companies of the Group, as well as proposing to the Board of Directors the appointment and/or dismissal of the Chief Executive Officer of each First Level Company;
- (iv) prepare the multi-year plans, business plan and annual budget to be submitted to the Board of Directors;
- (v) open and close current accounts with banks and credit institutions, withdraw sums from accounts in the Company's name, for this purpose issue the relevant cheques or equivalent, and arrange for transfers to be made from actual availability and from current account credit facilities;
- (vi) carry out deposits into bank and postal accounts of the Company, and endorse the amounts credited on current accounts for the same cheques and money orders;
- (vii) draw a bill of exchange upon customers, also endorsing promissory note discounts, bills, drafts as well as cheques of any kind and carrying out consequential transactions;
- (viii) assign receivables of the Company with and/or without recourse and operating with companies and factoring institutions by signing all the relative deeds and issuing the relative receipts; it being understood that the aforementioned transactions, if not indicated in the approved business and financial plan and/or the approved annual Group budget, are subject to an amount limit of 10,000,000.00 Euro per individual transaction;
- (ix) enter into centralised cash pooling contracts with directly and indirectly controlled companies;
- (x) represent the Company actively and passively before the financial administration and commissions of every order and level, as well as Cassa Depositi e Prestiti, Banca d'Italia, customs, postal and telegraph offices, public administrations and private individuals; by way of example:
 - A. sign tax and VAT returns as well as any other tax fulfilments. In particular, the representation conferred includes, by way of example, the power to represent the Company in relation to the central and peripheral offices of the tax authorities with regard to the assessment, settlement and payment of indirect and direct taxes, in relation to the latter, both with regard to the Company's own income and the emoluments paid by the Company. This power also includes the power to sign declarations (annual and periodic), certifications, proxies for payment, questionnaires, minutes and any other act necessary for the correct fulfilment of the Company's tax and currency obligations, issuing proxies and mandates of any kind relating to the items listed above;
 - B. lodge complaints, file petitions and appeals;
 - C. perform any operation at the Cassa Depositi e Prestiti, Banca d'Italia, customs, postal and telegraph offices for shipments, storage, release and collection of goods, values, parcels, packets, registered and insured letters, issuing receipts and granting discharge;
- (xi) represent the Company in all negotiations and disputes of a tax and fiscal nature before the competent bodies and reaching, if necessary, agreements and compositions;
- (xii) within the limits set out in point (viii) above, enter into, amend and terminate credit opening agreements, loans of any type and duration and related derivative contracts;

- (xiii) request the use of financing tranches;
- (xiv) within the limits set out in point (viii) above, provide guarantees and loans and take out contracts relating to bank and insurance policies;
- (xv) issue, accept and endorse negotiable instruments;
- (xvi) constitute, register and renew mortgages and privileges against third parties and for the company's benefit; permit cancellations, reductions and liens registered in favour of the Company as well as subrogations in favour of third parties; renounce mortgages and mortgage subrogations including legal ones and carry out any other mortgage transaction, always against third parties and for the company's benefit, and therefore receivable, relieving the competent land registrars of any and all liabilities;
- (xvii) withdraw securities and values owed to the Company, issuing the relevant receipts;
- (xviii) issue and negotiate collection orders;
- (xix) sign forms for the receipt of accompanying letters for values and documents relating to invoices issued by the Company;
- (xx) hire, appoint and dismiss personnel, excluding executives, determining, from time to time, their overall remuneration in line with the forecasts contained in the annual budgets; adopt and promote disciplinary sanctions, dismissal and any other measures against personnel;
- (xxi) inform the Chairperson and the Deputy Chairperson for the areas related to their respective delegated powers, hire, appoint and dismiss executives, determining, from time to time, their total remuneration consistent with the forecasts contained in the annual budgets; the Board of Directors shall be kept informed of the identification, hiring, appointment and dismissal of Senior executives with strategic responsibilities, without prejudice to the responsibilities of the Remuneration and Appointments Committee;
- (xxii) represent the Company before public and private entities in the stipulation of deeds relating to the personnel area;
- (xxiii) define the organisation and functional structures of the Company and the Group as well as the related activities and staff, within the framework of the general guidelines established by the Board; establish the criteria for the recruitment and management of personnel in compliance with the annual budget of the Company and the Group; all without prejudice to coordination with the Chairperson and Deputy Chairperson in relation to the organisation of the structures referred to their respective powers;
- (xxiv) designate the chief executive officers of non-first-level Group companies on the understanding that the designation of the chairpersons of these companies is the responsibility of the Chairperson after hearing the Deputy Chairperson and the CEO, and that it is the responsibility of the Deputy Chairperson, after hearing the Chairperson, to designate the members of the Control Bodies;
- (xxv) represent the Company for the fulfilment of tax, insurance, accident and social security obligations relating to personnel management;
- (xxvi) enter into, amend and terminate employment contracts in any form permitted by law;
- (xxvii) negotiate and define any dispute of a trade union nature and representing the Company in trade union negotiations, with the right to conclude company agreements; represent the Company before trade union representatives, welfare and assistance offices and bodies, trade associations, labour and M.O. offices, Employment Offices and the Labour Inspectorate, the Social Security and Assistance Institute for Managers, Administrations and Bodies in general responsible for accident prevention and occupational hygiene, Health and Organisations and premises and Institutes of Medicine and Surgery and Occupational Hygiene, as well as the Financial Administration of the State and the Local Authorities with regard to the substitute tax relationships of the Company's employees;
- (xxviii) represent the Company as well as reconcile and settle any labour and social security and compulsory assistance disputes at every state and level of justice, also in accordance with the provisions of the Code of Civil Procedure, as well as issue powers of attorney to reconcile and settle as above and request any evidence and oppose it, testify freely or formally, elect domiciles, appoint lawyers, attorneys and arbitrators and do whatever else is necessary for the successful outcome of the cases in question;
- (xxix) within the limits set out in point (viii) above, enter into currency contracts, including forward contracts;
- (xxx) within the limits referred to in the previous point (viii), participate, as far as he/she is concerned, in any kind of public or private bid in Italy and abroad;
- (xxxi) within the limits set out in point (viii) above, enter into, amend and terminate trade and service agreements of any kind with companies and entities;
- (xxxii) within the limits referred to in point (viii) above, stipulate, with all the appropriate clauses, assign and terminate contracts and agreements in any case inherent to the corporate purpose - including those concerning intellectual property, trademarks, patents - also in consortium with other companies;
- (xxxiii) establish, in the interest of the Company, consulting relationships with external experts and professionals, setting time frames and methods of payment with a spending limit of 500,000.00 Euro;

- (xxxiv) within the limits referred to in point (viii) above, provide for all the Company's expenses for investments and the valuation thereof; enter into, amend and terminate the relevant contracts, of whatever nature, in particular for:
 - A. works and supplies required for the conversion and maintenance of buildings and facilities;
 - B. purchases and disposals of furniture, equipment, machinery and movable property in general, including those entered in public registers, as well as financial leases and rentals of the same, with a limit on the annual fee;
 - C. commercial information, confidentiality agreements, letters of intent and the performance of due diligence activities;
 - D. purchases, including those for the annual premium, and orders relating to EDP programmes;
- (xxxv) within the limits referred to in point (viii) above, enter into the appropriate contracts, both in the form of purchase and sale, in the form of securities and real estate leases, in the form of service and/or works contracts, and in the form of supply contracts, to guarantee the Company the resources necessary to achieve the Company's objectives, accepting arbitration clauses, agreeing on exceptions to jurisdiction, including the power to request, obtain and sign sureties, letters of patronage and other typical and atypical forms of guarantee linked to the contracts signed;
- (xxxvi) intervene as a representative of the Company, either as the parent company or the principal company, in the establishment of joint ventures, TACs, (Temporary Associations of Companies), EEIGs (European Economic Interest Grouping), consortia and other bodies, giving and receiving relevant mandates, in order to participate in tenders for the award of works, services and supplies;
- (xxxvii) participate, to the extent of its competence, on behalf of the Company, including in TACs (Temporary Associations of Companies), EEIGs consortia and other bodies, in tenders or concessions, auctions, private bids, private negotiations, tenders-contracts and other public national, EU and international contracts, including state aid, for the award of works, supplies of equipment, including "turnkey" and / or goods and / or studies and / or research and / or services in general with any national, EU and international, public or private party; submit applications for requests to participate from the pre-qualification phase; submit tenders; in the event of award, sign the relevant deeds, contracts and commitments, including the issue of guarantees and/or the constitution of security deposits, with the widest possible powers to negotiate, agree and/or finalise all the clauses that it deems necessary and/or useful;
- (xxxviii) carry out the following transactions that are not indicated in the Group's business and financial plan and/or annual budget: investments, purchases and/or disposals, including en bloc, of assets or legal relationships, assumption of loans and/or issue of guarantees having, for the company and/or for the Group's subsidiaries, a total value not exceeding 10,000,000.00 Euro or gross invested capital (net equity plus financial indebtedness) not exceeding 10,000,000.00 Euro, or even for transactions of a lower value but functionally linked that, taken together, do not exceed the indicated threshold;
- (xxxix) provide for the distribution and organisation of the Group's logistics, entering into the necessary contracts and taking care of the rational structure and planning of activities in the area;
- (xl) ensure the management and organisational control and coordination of the companies subject to the management and coordination of the parent company or in any case controlled by it pursuant to Article 2359 of the Italian Civil Code, identifying their specific objectives and areas of competence and synergy, in line with the Group's strategies and the risk profiles connected to them and exercising, also as a preventive measure, management control as well as adopting measures and procedures deemed appropriate for this purpose. exercise control and coordination over the purchase and sale of raw materials (gas, electricity, etc.);
- (xli) grant and revoke powers of attorney and mandates within the above powers, for individual acts or categories of acts, both to employees of the Company and to third parties, including legal persons;
- (xlii) legally represent the Company in litigation of any kind, including civil, criminal or administrative litigation, before any judicial, conciliation or arbitration authority of any order and level, and therefore also before Justices of the Peace, Tribunals, Courts of Appeal, the Court of Cassation, Tribunale Amministrativo Regionale - TAR (Regional Administrative Court - RAC), the Council of State and the Constitutional Court, as well as in all procedural phases of bankruptcy and compulsory administrative liquidation, preventive agreements, of all types, receivership proposals and extraordinary administration with express authorisation to proceed, on behalf of the Company, to all voting to be cast in each phase of the aforementioned procedures and to issue receipts for the amounts that, as a result of the procedures, will be due to the Company;
- (xliii) reconcile and settle, extrajudicially and judicially, any dispute in any state and at any level of judgement, also pursuant to the provisions of the Code of Civil Procedure, as well as issue powers of attorney to reconcile and settle as above, file a complaint of perjury, disallow private records, refer and take oaths, sign arbitration compromises and arbitration clauses, and designate and appoint arbitrators;
- (xliv) represent the Company and the Group and manage relations with market bodies and investors, also with the support of the "Communication and External Relations" and "Corporate Affairs" functions;
- (xlv) prepare documentation for financial analysts and rating agencies;

- (xlvi) represent the Company and the Group and manage relations with CONSOB and Borsa Italiana S.p.A. also with the support of the “Corporate Affairs” function;
- (xlvii) manage financial, commercial and internal Group communication;
- (xlviii) in conjunction with the Deputy Chairperson, manage insurance policies with the support of the “Procurement, Logistics and Services” and “Legal Affairs” functions;
- (xlix) certify that copies of the Company’s documents and those in any case acquired in the Company’s records conform to the original;
- (l) sign requests, also to public bodies, for news and information, certificates or attestations, permits, authorisations, concessions, licenses and any other clearance;
- (li) manage and develop integrated group systems (QAS);

Finally, the Board of Directors has established: (i) that the entire organisational structure reports to the Chief Executive Officer, with the exception of functions reporting directly to the Chairperson or the Deputy Chairperson; (ii) that the Chief Executive Officer, as the person in charge of managing the risks relating to his or her proxies, acts in conjunction with the Deputy Chairperson; (iii) that the Chief Executive Officer may grant and revoke proxies and mandates within the scope of the aforementioned powers, for individual acts or categories of acts, both to employees of the Company and to third parties, including legal persons; (iv) that the Chief Executive Officer shall avail of the corporate signature and all powers with reference to the powers granted above, including, inter alia, active and passive legal and procedural representation; (v) that all powers granted to the Chief Executive Officer, unless otherwise established, shall be exercised with single signature, with the right to sub-delegate.

The Chief Executive Officer is also granted a residual general proxy for all acts and activities relating to the administration of the Company not expressly reserved for the Board of Directors.

In addition, at the aforementioned meeting, the Board of Directors assigned to Mr. Armani, in relation to the powers and proxies granted to him as Chief Executive Officer of the Company, the role and functions of:

- a) Employer and Principal of Iren S.p.A. pursuant to current legislation on workplace safety and hygiene and, also, pursuant to and for the purposes of Article 2 of Italian Legislative Decree No. 81 of 9 April 2008 and subsequent additions and amendments, with the tasks provided for therein, with the power to take all measures deemed necessary and unavoidable in terms of safety at work and with the power to delegate, to the extent permitted by law, the performance of any useful and/or necessary activities aimed at ensuring safety conditions at work and compliance with the law, with the exception of sectors and structures for which the role of employer is otherwise identified;
- b) Legal Representative and Manager of IREN S.p.A. with reference to current legislation on environmental protection and with the right to delegate, to the extent permitted by law;
- c) Subject to whom are attributed the exercise of the powers and functions, which are assigned to IREN S.p.A. as Data Controller pursuant to current legislation on the Protection of persons with regard to the processing of personal data, therefore attributing to the same, the competencies and responsibilities defined in accordance with EU Regulation 2016/679, of Italian Legislative Decree 196/2003 and subsequent amendments and additions, with the right to delegate to the extent permitted by law.

The Board of Directors has also established that the Chief Executive Officer is directly answerable to the Board of Directors for the roles and functions described in (a), (b) and (c).

With the constant reporting, transmission and delivery of the documentation at each of the Board of Directors’ meetings held during 2021 and during other meetings - the Chief Executive Officer, Mr. Bianco (until 29 May 2021) and subsequently Mr. Armani, also pursuant to Article 2381 of the Italian Civil Code, proceeded to comply with the disclosure obligations, reporting to the Board of Directors and the Board of Statutory Auditors on the general performance of operations and foreseeable developments, as well as on the most significant transactions, due to their size or characteristics, carried out by the company and its subsidiaries, taking into account the powers granted to him by the Board of Directors.

With reference to the case referred to in Application Criterion 2.C.6. of the Corporate Governance Code (July 2018 edition), previously adopted by IREN S.p.A. with a resolution dated 05 April 2019, it should be noted that this case does not occur since the Managing Director and CEO of IREN S.p.A. does not hold the position of Director of an issuer not belonging to the IREN Group, of which a Director of IREN S.p.A. is CEO.

Finally, it should be noted that the Board of Directors, at its meeting on 29 May 2021, in line with the current

organisational structure, also appointed Mr. Gianni Vittorio Armani as General Manager of IREN S.p.A. at the same time, granting him consistent powers for the performance of his duties, in accordance with the advice and guidelines formulated by the Board of Directors, reshaping the powers listed above granted to the Chief Executive Officer and, in any case, within the limits of the same, and granting him the corporate signature and all powers within the limits of the powers granted, including, inter alia, representation of the Company. In particular, the Board of Directors, deemed it appropriate to grant the General Manager operational powers and delegations with cross-impact on the Departments and Business Units, exercising a role of management, coordination and control for all delegated areas of activity.

The General Manager operates on the basis of multi-annual plans and annual budgets approved by the Board of Directors and guarantees and verifies compliance with the resulting management guidelines.

Specifically, the Board of Directors assigned Mr. Armani as General Manager the following delegations and powers:

- (i) implement the decisions of the Board of Directors, as far as he is responsible;
- (ii) coordinate and verify the implementation of the Group's corporate strategies, within the framework of the directives established by the Board, and exercise the delegated powers, and in particular those listed herein, in accordance with such strategies and directives;
- (iii) exercise, on the basis of the guidelines of the Board of Directors, management, coordination and control functions within the scope of the delegated powers, to achieve the targets set out in the business plan and budget, participating in the definition; coordinate and manage the work of the Management Committees of Iren;
- (iv) provide the necessary fulfilments for the distribution and organisation of the Group's logistics, entering into the necessary contracts and taking care of the rational structure and planning of activities in the area;
- (v) coordinate the performance of the analysis and study of the macroeconomic market scenarios of the Group's businesses as well as the reference competitive context and the main trends that characterise it by interacting with all areas of the Group's corporate and business staff;
- (vi) represent, in agreement with the Chairperson, the Company in relations relating to regulatory aspects with the Employers' Associations such as Utilitalia, Confservizi, Confindustria, identified by way of example, as well as with the other sectoral Associations to which the Group adheres, with the right to sign conventions or agreements and to enter into deeds or contracts, interacting where appropriate with the relevant investee companies or through them;
- (vii) ensure the operational requirements to open and close current accounts with banks and credit institutions, withdraw sums from accounts in the Company's name, for this purpose issuing the relevant cheques or equivalent, and arrange for transfers to be made both from actual availability and from current account credit facilities;
- (viii) carry out deposits into bank and postal accounts of the Company, and endorse the amounts credited on current accounts for the same cheques and money orders;
- (ix) draw a bill of exchange upon customers, also endorsing promissory note discounts, bills, drafts as well as cheques of any kind and carrying out consequential transactions;
- (x) assign receivables of the Company with and/or without recourse and operate with companies and factoring institutions by signing all the relative deeds and issuing the relative receipts; it being understood that the aforementioned transactions, if not indicated in the approved business and financial plan and/or the approved annual Group budget, are subject to an amount limit of 1,000,000.00 Euro per individual transaction;
- (xi) enter into centralised cash pooling contracts with directly and indirectly controlled companies;
- (xii) prepare the documentation to be submitted to the financial administration and commissions of all grades and levels, as well as to the Cassa Depositi e Prestiti, Banca d'Italia, customs, postal and telegraph offices, public administrations and private entities; by way of example:
 - A. tax and VAT returns and any other fulfilment of a fiscal nature, statements (annual and periodic), certificates, questionnaires, minutes and any other act necessary for the correct fulfilment of the Company's tax and currency obligations, issuing powers of attorney and mandates of any nature relating to the items listed above;
 - B. complaints, petitions and appeals;
 - C. transactions at the Cassa Depositi e Prestiti, Banca d'Italia, customs, postal and telegraph offices for shipments, storage, release and collection of goods, values, parcels, packets, registered and insured letters, issuing receipts and granting discharge;
- (xiii) within the limits set out in point (x) above, enter into, amend and terminate credit opening agreements, loans of any type and duration and related derivative contracts;
- (xiv) request the use of financing tranches;
- (xv) within the limits set out in point (x) above, provide guarantees and loans and take out contracts relating to bank and insurance policies;

- (xvi) constitute, register and renew mortgages and privileges against third parties and for the company's benefit; permit cancellations, reductions and liens registered in favour of the Company as well as subrogations in favour of third parties; renounce mortgages and mortgage subrogations including legal ones and carry out any other mortgage transaction, always against third parties and for the company's benefit, and therefore receivable, relieving the competent land registrars of any and all liabilities;
- (xvii) withdraw securities and values owed to the Company, issuing the relevant receipts;
- (xviii) issue and negotiate collection orders;
- (xix) sign forms for the receipt of accompanying letters for values and documents relating to invoices issued by the Company;
- (xx) prepare the tax, insurance, accident and social security obligations relating to personnel management;
- (xxi) within the limits set out in point (x) above, enter into currency contracts, including forward contracts;
- (xxii) within the limits referred to in the previous point (x), participate, as far as they are concerned, in any kind of public or private bid in Italy and abroad;
- (xxiii) within the limits set out in point (x) above, enter into, amend and terminate trade and service agreements of any kind with companies and entities;
- (xxiv) within the limits referred to in point (x) above, stipulate, with all the appropriate clauses, assign and terminate contracts and agreements in any case inherent to the corporate purpose - including those concerning intellectual property, trademarks, patents - also in consortium with other companies;
- (xxv) establish, in the interest of the Company, consulting relationships with external experts and professionals, setting time frames and methods of payment with a spending limit of 250,000.00 Euro;
- (xxvi) within the limits set out in point (x) above, enter into securities and real estate lease agreements;
- (xxvii) provide, both as the parent company and the principal company, the necessary fulfillments for the establishment of joint ventures, TACs (Temporary Associations of Companies), EEIGs (European Economic Interest Grouping), consortia and other bodies, giving and receiving relevant mandates, in order to participate in tenders for the award of works, services and supplies;
- (xxviii) certify that copies of the Company's documents and those in any case acquired in the Company's records conform to the original;
- (xxix) sign requests, also to public bodies, for news and information, certificates or attestations, permits, authorisations, concessions, licenses and any other clearance;
- (xxx) manage and develop integrated group systems (QAS);
- (xxxi) take care of the drafting, management and signing of the Group's intercompany contracts;

The Board of Directors, at the above-mentioned meeting, decided: (i) that the General Manager may grant and revoke proxies and mandates within the scope of the aforementioned powers, for individual acts or categories of acts both to employees of the Company and to third parties, including legal persons; (ii) that the General Manager has corporate signature and all powers with reference to the proxies granted above; (iii) that all powers conferred on the General Manager, except where expressly provided, are exercised by single signature, with the right to sub-delegate; (iv) that the powers and proxies conferred on 29 May 2021 by the Board of Directors to Mr. Gianni Vittorio Armani as CEO, are intended always within said limits. Where the powers granted in the capacity of Chief Executive Officer correspond to those granted as General Manager, they shall be deemed to be exercised in the latter capacity.

4.9-Other executive directors

Except as reported above in **para. 4.8**, there are no other directors on the Board of Directors of IREN S.p.A. who qualify as executive directors under the definitions in the Corporate Governance Code (January 2020 edition), taking into account IREN S.p.A.'s governance assessments.

4.10-Independent directors

Legal provisions, By-laws and recommendations of the Code

Pursuant to Article 147-ter, paragraph 4, Consolidated Law on Finance, at least one of the members of the Board of Directors, or two if the body has more than seven members, must meet the independence requirements established for statutory auditors in Article 148, paragraph 3, Consolidated Law on Finance, as well as, if the By-laws so provide, the additional requirements set forth in codes of conduct drawn up by regulated market management companies or trade associations.

Pursuant to Article 18.2 of the current By-laws, at least two directors meet the requirements of the laws in force at the time.

Recommendation No. 5 of the current Corporate Governance Code stipulates that *“The number and competencies of independent directors shall be appropriate to the needs of the business and the functioning of the board of directors, as well as the establishment of relevant committees”*, according to the guidelines in the same Code, and that *“In large companies with concentrated ownership, independent directors constitute at least one-third of the board of directors”*.

The assessment of the Board of Directors of IREN S.p.A. and control of the Board of Statutory Auditors

The assessment of the existence of the requirements for independence by Directors is carried out by the Board of Directors of the Company after appointment and annually thereafter. It concerns both the criteria defined by the Consolidated Law on Finance and the hypotheses set out in Recommendation No. 7 of the current Corporate Governance Code (indicated, non-strictly and non-exhaustively, as *“signs of non-independence”*, without prejudice in this regard to any more punctual verification, having regard more to substance than to form, and taking into account the governance solutions adopted by the Company with particular regard to letters c) and d) of the same Recommendation)³, and is carried out on the basis of information provided by the interested parties (through the completion and signing of periodic self-assessment questionnaires, kept on file, or through statements made by the interested parties and reported in the minutes) or otherwise available to IREN S.p.A. Evaluation is also made when circumstances regarding independence arise. In this regard, the Board of Statutory Auditors, within the scope of the tasks assigned to it by law, checks the correct application of the verification criteria and procedures adopted by the Board to assess the independence of its members and discloses the outcome of the audit to the market in the Corporate Governance Report or in the Auditors’ Report to the Shareholders’ Meeting.

Solutions adopted by the Board of Directors of IREN S.p.A. to further specify the Code’s recommendations

In the document highlighting the governance solutions adopted by the Company with reference to the provisions of the Code, approved by the Board of Directors on 18 December 2020, certain clarifications are provided with regard to some of the non-independence circumstances identified by Recommendation 7 of the Code, set forth below:

- with reference to the provisions of lett. c), the Board of Directors currently in office has decided to “limit” “significant” commercial, financial or professional relations to those which exceed, when considered as a whole, an amount of 90,000.00 Euro, without prejudice to any more precise verification regarding (a) the impact of the relations on the economic-financial situation of the person concerned; (b) the importance for their prestige and (c) any connection with important IREN S.p.A. operations;
- always with reference to the provisions of lett. c), it was agreed that the Board of Directors will also consider any relations with top executives and managers of the main Public Shareholder Municipalities which, jointly, by virtue of the Agreements, control the Company;
- with reference to the provisions of lett. d), the Board of Directors has considered that a significant additional remuneration with respect to the “fixed” emolument of a non-executive director for the issuer constitutes a total remuneration exceeding 67,000 Euro;
- with reference to the provisions of lett. e), it was agreed of noting the position of Director of issuing companies from which the merger originated IREN S.p.A. for more than nine years in the past twelve years;
- with reference to the provisions of lett. (h), the Board of Directors agreed to include among the so-called “close family members”: the spouse, relatives or relatives-in-law up to the second degree of kinship, as well as the other subjects mentioned in art. 3.3 of the current IREN S.p.A. Procedure for Transactions with Related Parties;
- also with reference to the provisions of lett. h), the Board of Directors agreed to evaluate, at present, the Chairperson as an executive director, given the allocation of management powers.

Checks carried out from 22 May 2019 to the date of approval of this Report

Specifically:

- at the meeting of **22 May 2019**, held after the appointment of the administrative body for the three-year period 2019-2021, the Board of Directors, on the basis of the statements made by the Directors when accepting their candidacy and the information available to the Company as well as made available during the meeting ascertained the existence of the independence requirements pursuant to the aforementioned provisions of the Consolidated Law on Finance, as well as pursuant to the Corporate Governance Code in the case of Directors Sonia Maria Margherita Cantoni, Pietro Paolo Giampellegrini, Enrica Maria Ghia, Alessandro Giglio, Francesca Grasselli, Ginevra Virginia Lombardi, Giacomo Malmesi, Gianluca Micconi and Licia Soncini; following the audit, a statement containing the results of the self-assessment was released to the market;
- at the meeting held on **19 June 2019**, at the same time that certain Directors of IREN S.p.A. were designated as members of the administrative bodies of the Group’s First-Level Companies (assessed as being “potentially” relevant

for the independence requirement), the Board of Directors confirmed its assessments made in the past regarding members that had been designated to the aforementioned roles in companies controlled directly by the Parent Company; following on from the appointments, the market was notified, inter alia, of the outcome of the self-assessment;

- at the meeting held on **27 February 2020**, for the purposes of the annual update and, also, of the preparation of the Report on Corporate Governance and Ownership Structures pursuant to art. 123-bis Consolidated Law on Finance relating to 2020, having regard to the self-assessment questionnaires completed by the Directors of IREN S.p.A. and of the declarations made by the same, the Board of Directors confirmed the assessments previously made;
- at the meeting held on **04 June 2020**, the Board of Directors, with the aid of legal advice, further investigated the circumstance (assessed as “potentially” relevant for independence purposes) of the appointment of an independent Director of the Company as Chairperson of the National Theater of Genoa - free of charge and without executive authority - confirming the assessment of independence previously made;
- at the meetings held on **23 February** and **07 April 2021**, for the purposes of the annual update and, also, the drafting of this Report, having regard to the self-assessment questionnaires completed by the Directors of IREN S.p.A. and the statements made by them, the Board of Directors confirmed the assessments previously made; for the purposes of the assessment, the new features introduced under the new Corporate Governance Code were taken into account, as well as the indications of the Chairperson of the Italian Corporate Governance Committee referred to in the letter of December 2020;
- at the meeting held on **15 February 2022**, for the purposes of the annual update and, also, the drafting of this Report, having regard to the self-assessment questionnaires completed by the Directors of IREN S.p.A. and the statements made by them, the Board of Directors confirmed the assessments previously made; for the purposes of the assessment, the new features introduced under the new Corporate Governance Code were taken into account, as well as the indications of the Chairperson of the Italian Corporate Governance Committee referred to in the letter of December 2021.

Lastly, it should be noted that, as reported above (see **para. 4.8**), Mr. Gianni Vittorio Armani, considering his appointment as Chief Executive Officer and General Manager of the Company and the attribution to him of operational proxies, cannot be considered independent either under the Consolidated Law on Finance or under the Code. For the same reasons, by virtue of the powers granted, the above independence requirements do not apply to the Chairperson and Deputy Chairperson.

The Board of Statutory Auditors took note of the information provided from time to time by the individuals concerned and of the information reported by them at the aforementioned meeting, both for the purposes of the verifications, for which the Board of Directors and the Board of Statutory Auditors are responsible in accordance with the provisions of the Code, concerning the existence of the independence requirements of the Directors and the application of the assessment procedures adopted by the Board, based on the declarations of the individuals concerned as well as the information available to the Company.

For a detailed illustration of the existence of the independence requirements pursuant to Articles 147-ter, paragraph 4, and 148, paragraph 3 of the Consolidated Law on Finance and/or the Code for the Directors of the Company, please refer to **Table 2** below.

Meetings held in 2021

As at 31 December 2021, there have been 1 meetings of Directors who meet the independence requirements pursuant to Articles 147-ter, paragraph 4, and 148, paragraph 3 Consolidated Law on Finance/Recommendation No. 7 of the Code. During 2021, an additional meeting was held, which was also attended by the Executive Directors.

The main topics of interest covered were inherent to the findings of the Board Evaluation - FY 2020 in relation to (i) reflections on possible contribution of the Board in promoting the topic of gender diversity, (ii) reflections on further training initiatives, including in the field;

The meetings were coordinated by Francesca Grasselli.

Lead independent director

Finally, it should be noted that IREN S.p.A. is not currently subject to the circumstances referred to in Recommendation no. 13 of the current Corporate Governance Code, in the presence of which the appointment of a lead independent director is recommended; this taking into account the fact that in IREN S.p.A. the Chairperson of the Board of Directors is not the chief executive officer, is not the holder of significant management powers, nor the shareholder who holds control, even jointly, over the Company.

At the same time, up to the date of this Report, no requests have been made by the Independent Directors regarding this appointment.

4.11 - Maximum number of positions held in other companies

In compliance with Principle XII of the Corporate Governance Code (January 2020 edition), each Director shall ensure that adequate time is available for the diligent performance of the duties assigned to him or her. Furthermore, in compliance with Recommendation no. 15 of the same Code, the Board of Directors expresses its guidelines on the maximum number of offices that can be considered compatible with the effective performance of the office of director of the company, taking into account the commitment resulting from the role held. The relevant offices are those held in corporate bodies of other listed companies and of companies having a significant size.

To this end, in formulating its guidelines to the Shareholders on the qualitative and quantitative composition of the Board of Directors for the three-year period 2022-2024, on the basis of the commitment required of the directors to carry out their duties in IREN, the Board of Directors of IREN highlighted the opportunity for shareholders to assess the availability of time that candidates for the office of Director of the Company can dedicate to the diligent performance of their duties, taking into account both the number and quality of the offices held in the administration and control bodies of other companies, and the commitment required of them by the additional work and professional activities carried out and by the associative positions held.

In addition to the time related to attending meetings, it is also necessary to consider (i) the time spent preparing for each meeting and, for the Chairpersons of the Board and each of the Committees, also the time spent in carrying out the role and the activities of preparing, organising, and coordinating Board and Committee meetings; (ii) the effort required to attend meetings dedicated to induction and recurrent training as well as any off-site events during the three-year period.

The Board of Directors of IREN, on the proposal of the Remuneration and Appointments Committee, indicated the following guidelines regarding the maximum number of offices held by Directors. In particular:

- an Executive Director should not hold:
 - i. the position of executive director in another listed company, either Italian or foreign, or in a company with consolidated shareholders' equity or annual turnover higher than [500 million] Euro;
 - ii. the office of non-executive director or auditor (or member of another supervisory body) in more than three of the companies indicated in point (i) above;
- the Chief Executive Officer may not serve as a director of another issuer not belonging to the same group, of which another director of the Company is Chief Executive Officer;
- a Non-Executive Director (also Independent), in addition to the office held in the Company, should not hold:
 - iii. the position of executive director in more than one listed company, Italian or foreign, or with a consolidated shareholders' equity or annual turnover higher than [500 million] Euro and the position of non-executive director or auditor (or member of another supervisory body) in more than [three] of the companies indicated; or
 - iv. the office of non-executive director or auditor (or member of another supervisory body) in more than [four] of the companies indicated in point (iii) above.

For the purposes of calculating the maximum number of offices held, positions held within IREN Group subsidiaries or internal committees are not relevant. When assessing each subjective position - which shall be carried out in the interest of the Company - the Board may take into account the concrete circumstances and professional commitments (not limited to the office held) of each single Director, both to allow for a possible derogation to the limits of offices and to provide for a possible lowering of the maximum number of offices that can be held. The Board of Directors, if appropriate, will invite the Director to make the resulting decisions.

At the moment, as already mentioned above in **para. 4.7**, it should be noted, however, that there are no situations of so-called "cross-directorship" (crossed roles involving two issuers not belonging to the same group between Chief Executive Officer and other directors of IREN).

Table 4 attached to this report provides further details on the positions of Director or Auditor held in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies, as well as any other positions.

5-INTERNAL MANAGEMENT AND EXTERNAL DISCLOSURE OF CORPORATE INFORMATION

The correct management of corporate information is a key element in protecting shareholder and market interests. In this regard, IREN has adopted and continually keeps a specific procedure updated to ensure that legislative and regulatory provisions on Market Abuse are applied appropriately.

More specifically, EU Regulation No. 596/2014 (Market Abuse Regulation) and the relative European Commission Implementation Regulations amended EU legislation on inside information and market abuses. These changes, combined with the main directives provided by the Consob Guidelines “Management of Inside Information” of October 2017, were most recently incorporated in the updated version of the “Procedure for the internal management and external communication of relevant information and/or Inside Information and the retention of the Insider Register”, approved by the Board of Directors on 13 May 2019.

The update to the procedure referred, inter alia, to the introduction of a stage in Relevant Information is identified and mapped, intended as a preliminary and preparatory process to promptly identifying information, which given its insider nature, needed to be communicated to the public “as soon as possible”. In this regard, the Company has also adopted a “Relevant Information List” (“RIL”), which lists people that have access to Relevant Information. This list is added to the existing “Insider List” Register, which on the other hand, lists people with access to Inside Information. The current procedure requires that when Relevant Information becomes Inside Information, the people included in the RIL are cancelled from the RIL Register and added to the Insider List, with immediate notification provided to the Market or the delayed disclosure procedure initiated.

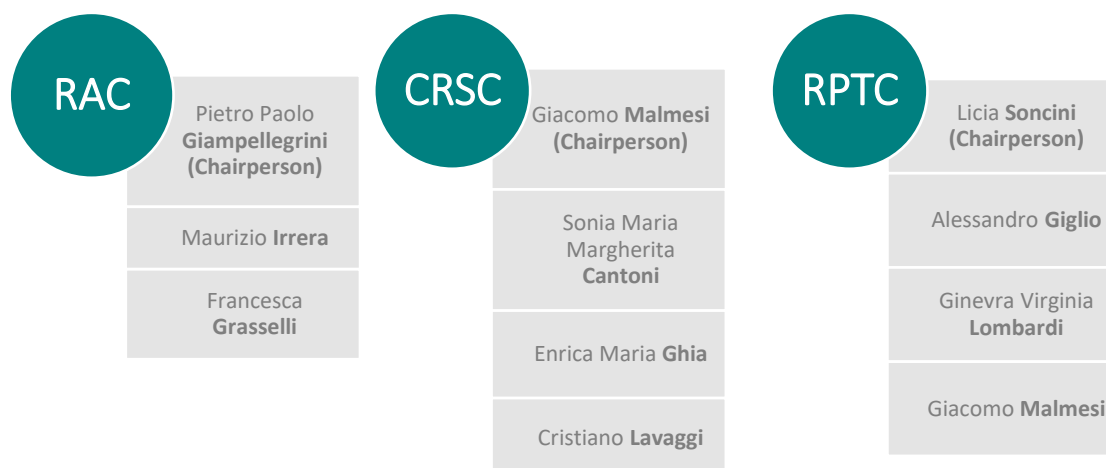
The procedure published on the Company’s website (www.gruppoiren.it) in the section “Investors– Corporate Governance– Corporate Documents”, mainly serves to:

- a) identify the organisational functions designated to manage and process relevant and inside information;
- b) identify and map Relevant Information Flows;
- c) qualify and manage Inside Information;
- d) define the procedures for communicating Inside Information to the market, and set out the ensuing requirements;
- e) assess whether the conditions exist to delay disclosure to the market and set out the ensuing requirements;
- f) define the criteria for retaining the Register of People with access to Inside Information (Insider List) and the Register of People with access to Relevant Information (RIL);
- g) stipulate the confidentiality obligations referring to Relevant and Inside Information.

Furthermore, pursuant to applicable legislation on the subject, Relevant Persons and Persons closely associated with Relevant Persons, namely the people identified on the basis of the criteria stipulated under Article 152-sexies of the Issuers’ Regulation, must notify Consob and the public within 3 business days, of transactions to purchase, sell, underwrite or trade shares issued by the issuer or financial instruments related to these, which have been undertaken by the latter or by persons closely associated with them, where the amount exceeds the cumulative threshold of 20,000 Euro by the end of the year. The procedure detailing the disclosure obligation on operations on IREN Group securities carried out by people with access to inside information (the Internal Dealing Procedure, approved by the IREN S.p.A. Board of Directors on 10 December 2010 and most recently amended on 13 May 2019) and the list of Relevant Parties, are available on the Company website (www.gruppoiren.it) in the section “Investors – Corporate Governance – Internal Dealing - Annexes”.

In accordance with the provisions in the aforementioned procedure, Relevant Parties may not carry out transactions on Company shares or the related Financial Instruments in the 30 days (black-out period) prior to the date scheduled for the disclosure of the annual or interim or quarterly results to the market, which IREN is obligated to disclose.

6-INTERNAL BOARD COMMITTEES



To ensure its corporate governance model complies with the recommendations in the Code *pro tempore* in force, the IREN S.p.A. Board of Directors in office established the following committees on the basis of the resolutions taken at the sessions held on 22 and 30 May 2019:

- a **Remuneration and Appointments Committee** (hereafter also “**RAC**”), for the exercise of the functions provided for by Recommendations no. 19 - regarding appointments - and no. 25 - regarding remuneration (for a detailed list of which please refer to the Regulations approved by the Board of Directors of the Company on 1 August 2018, which will be discussed below in **para. 8**), comprising three non-executive directors, with the majority having the independence requirement. The Chairperson was chosen from among the independent members.
In line with the flexibility principle characterising the Code, since 2014, the Company’s Board of Directors made the decision to combine the remuneration and appointment functions into a single Committee for organisational purposes, due to the specific nature of the Board.
This decision was undertaken in accordance with the rules on the composition of both Committees.
- a **Control, Risk and Sustainability Committee** (hereinafter also “**CRSC**”) providing general support, through appropriate preliminary work, to the assessments and decisions of the Board of Directors relative to the internal control and risk management system, and those relative to the approval of the financial and non-financial periodic reports. More specifically, the Control, Risk and Sustainability Committee exercises the functions pursuant to Recommendation 33 of the Code (support for Board of Directors’ resolutions on a series of subjects, including the appointment/revocation and remuneration of the Head of the Internal Audit Function), Recommendation 35 (reference is made below to **para. 9**), additional functions to provide consultation and make proposals on sustainability, and additional functions in terms of the respective Regulation approved by the Company’s Board of Directors on 5 April 2019.
Said Committee consists of four non-executive directors, most of whom are independent, from among whom the Chairperson is chosen.

In addition to the Committees recommended by the Italian Corporate Governance Code, on the basis of resolutions taken by the Board of Directors on 22 and 30 May 2019, in compliance with the Procedure on Transactions with Related Parties (hereinafter “**RPT Procedure**”), the Board established the specific Related Party Transactions Committee (hereinafter also “**RPTC**”).

From 30 May 2019, the Committee comprises four Directors holding the independence requirements contemplated by Articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Law on Finance and the additional requirements set by the Code.

The Related Party Transactions Committee formulates its opinion on the performance of transactions of lower and greater importance with Related Parties and, in general, performs all the other functions assigned to it regarding transactions with Related Parties, pursuant to the Regulation on transactions with related parties adopted by Consob with resolution no. 17221 of 12 March 2010, as amended (hereinafter “**CONSOB RPT Regulation**”).

The functioning of the Remuneration and Appointments Committee and the Control, Risk and Sustainability Committee are governed by specific Regulations (adopted by the Board of Directors in office at the time on 1 August 2018 and 5 April 2019 respectively, and which the current Board of Directors has adopted as its own).

These Regulations set out clear and standardised rules on (i) the appointment procedures and subjective requirements for Committee members; (ii) operating procedures, including the deadlines for convening meetings and making available

support documentation, focusing on the information flows in respect of administrative and control bodies; (iii) powers and means at the disposal of the Committees, including the option of using consultants; (iv) the functions assigned to the Committees, without prejudice that as stipulated in the Code, these are defined on the basis of a Board of Directors' resolution.

More information about individual committees and their activities during 2021 is provided below. More details on the composition of the Committees are provided in **Table 2** annexed to this report.

7-REMUNERATION AND APPOINTMENTS COMMITTEE

Composition and requirements

In accordance with Recommendations 20 and 26 of the Corporate Governance Code, on the basis of the resolutions taken on 22 and 30 May 2019, the Board of Directors established a Remuneration and Appointments Committee, with the following members:

- Pietro Paolo Giampellegrini (Chairperson);
- Francesca Grasselli;
- Maurizio Irrera.

In its meeting on 30 May 2019, the Board of Directors appointed Mr Pietro Paolo Giampellegrini as Chairperson of the Remuneration and Appointments Committee.

Based on their professional curricula, the Board of Directors ascertained that (i) Pietro Paolo Giampellegrini and Maurizio Irrera had appropriate knowledge and experience on remuneration policies; (ii) Francesca Grasselli had appropriate knowledge and experience on financial matters and remuneration policies.

A prior assessment was made regarding the independence requirements pursuant to articles 147-ter and 148, paragraph 3 of the Consolidated Law on Finance, and in terms of the Code, the following members met the aforementioned requirements:

- Pietro Paolo Giampellegrini (Chairperson)
- Francesca Grasselli.

Maurizio Irrera did not qualify for the independence requirement pursuant to article 147-ter and 148, paragraph 3 of the Consolidated Law on Finance, nor in terms of the Code.

Functions and activities conducted during the year (reference)

The Remuneration and Appointments Committee is a body providing consultation and draws up proposals, which the Board of Directors has assigned the duties detailed in the Regulation approved by the Board of Directors on 1 August 2018 and outlined below:

- attends to the preliminary work for the preparation of the remuneration policy for the Group's executive directors and Group Senior Executives with Strategic Responsibilities, needed for the Company's Board of Directors to adopt the measures it is responsible for; the Committee liaises beforehand with the Company's Control, Risk and Sustainability Committee with regard to the risk profile;
- presents proposals or expresses opinions to the Company's Board of Directors on the remuneration of executive Directors and other Directors who hold special positions and establishing performance objectives relating to the short and medium/long-term variable component connected with this remuneration;
- monitors the application of the decisions adopted by the BoD by verifying, in particular, the actual fulfilment of short and medium/long-term performance objectives, referred to in the point above;
- formulates proposals concerning the remuneration of the members of the Company's Board Committees;
- periodically assesses the adequacy, overall consistency and actual application of the policy on remuneration of directors with delegated powers and Senior Executives with strategic responsibilities, utilising the information provided by the relevant delegated bodies in the case of the latter, and formulates proposals to the Board of Directors in this respect.

The Remuneration and Appointments Committee also has the task of conducting a preliminary examination – with respect to the decisions the Board of Directors is responsible for – of the annual Report on the Remuneration Policy and Compensation Paid pursuant to Article 123-ter of the Consolidated Law on Finance, to be made available to the public in

view of the annual Shareholders' Meeting convened to approve the separate financial statements (see **para. 8** and relative reference).

Providing this Committee with the remuneration functions referred to above, serves to ensure the broadest transparency and information on the fees paid to IREN S.p.A. executive directors and to Group Senior Executives with strategic responsibilities, including the relevant methods used to determine the remuneration.

The Remuneration and Appointments Committee has only proposing and advisory functions, while the power to determine the remuneration of Executive Directors and Directors holding special offices, in accordance with Art. 2389, third paragraph, of the Italian Civil Code, remains in any case in the hands of the Board of Directors which, pursuant to article 21 of the current By-laws, shall do so after hearing the Remuneration and Appointments Committee and the Board of Statutory Auditors.

In terms of Article 7.2 of the **RPT Procedure**, during 2021, the Committee has also performed the duties regarding related-party transactions in the case of transactions referring to the remuneration of Company Directors and Senior Executives with Strategic Responsibilities, given that its members meet the minimum requirements of independence and non-relation stipulated by the Consob Regulation.

More detailed information on the Committee's role and activities carried out during the year are available in the Report on the 2022 Remuneration Policy and Compensation Paid in 2021, to which reference is made.

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As mentioned above, in terms of the current Board mandate, the Remuneration and Appointments Committee is also assigned duties relating to appointments as per Recommendation 19 of the Corporate Governance Code, adapted to the Company's specific governance structure. This is detailed further in the Regulation approved by the Board of Directors on 1 August 2018 and set out below:

- formulates opinions to the Board of Directors on the subject of the dimensions and composition of the same and of its Committees (including the requirements of professionalism, integrity and independence of the related members) and proposes recommendations on the professional and managerial figures whose presence on the Board of Directors is considered opportune, also on the basis of the diversity recommendations under the Code applicable *pro tempore*;
- provides recommendations to the Board of Directors as regards the maximum number of appointments as Director or Statutory Auditor in other listed companies in regulated markets (including abroad), in financial, banking and insurance companies or in large companies, compatible with effectively fulfilling the appointment as Director of IREN, taking into consideration the participation of Directors in the Board's Committees, and as regards the exceptions to the prohibition on competition provided for in Article 2390 of the Italian Civil Code;
- in line with the current with statutory provisions, to propose candidates to the Board of Directors for the position of Director in the cases of co-option pursuant to Article 2386 paragraph 1 of the Italian Civil Code, if it is necessary to replace Independent Directors, ensuring observance of the prescriptions on the minimum number of independent directors and on the quotas reserved for the less represented gender;
- carries out the preliminary work on preparation of the plan for the succession of the Executive Directors, if adopted by the Company.

The Remuneration and Appointments Committee has also been given the task of instituting the annual self-evaluation process regarding the Board and its Committees, also in terms of their size and composition, pursuant to Principle XIV of the Corporate Governance Code. Specifically, after coordinating with the Chairperson of the Board of Directors (as well as with other Executive Directors), the Committee identifies the subjects for the evaluation and, having regard to best practices, also avails itself of the assistance of a consultant with expertise in the sector.

The combined functions of remuneration and appointments vested with the Remuneration and Appointments Committee meets the composition requirements indicated in the Code *pro tempore* in force.

More detailed information on the appointments made by the Committee during the year is available in specific paragraphs in this Report, to which reference is made.

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Meetings, operating procedures, information flows and resources

During 2021, the Remuneration and Appointments Committee held 17 (seventeen) meetings with the full participation of all its members, of which 3 (three) held jointly with the IREN S.p.A. Control, Risk and Sustainability Committee, with a participation of 98% of its members (for further details see below **Table 2**). The average duration of the meetings was 55 (fifty-five) minutes.

The work of the Committee was coordinated by the Chairperson and the related meetings were regularly recorded with the assistance of the Secretary, external to the Committee.

All of the Committee meetings held during the year were attended by at least one regular auditor of the Company, as designated by the Chairperson of the Board of Auditors.

In carrying out its preparatory duties, the Remuneration and Appointments Committee makes use of the relevant Company structures. By invitation of the Committee, Directors with specific mandates and Company Managers attended certain meetings of the Remuneration and Appointments Committee, so as to provide input on individual agenda items pertaining to their areas of responsibility. In any case, the Remuneration and Appointments Committee discusses and adopts resolutions related to the remuneration of Directors, Directors with delegated powers and Senior Executives with Strategic Responsibilities without the attendance of those directly involved, unless this refers to proposals regarding general members of the Board's Committees.

An information flow to the Board of Directors is required. More specifically, the Committee Chairperson regularly reports to the Board of Directors at the first meeting thereafter, on the activities performed by the Committee, giving a separate account of the activities performed regarding remunerations and appointments as required by the Italian Corporate Governance Committee.

The Committee reported to shareholders on the procedures whereby it conducts its duties; in this regard, all Committee members were in attendance at the Shareholders' Meeting held on 06 May 2021.

A specific Regulation disciplines (i) the appointment procedures and subjective requirements for members; (ii) operating procedures, including the deadlines for convening meetings and making available support documentation, focusing on the information flows in respect of administrative and control bodies; (iii) powers and means at the disposal of the Committee, including the option of using consultants; (iv) the functions assigned to the Committee, on 1 August 2018, the Board of Directors in office at the time approved the specific Regulation, which the Board of Directors adopted at its own.

As detailed above (see also **para. 4.5**), during 2021, the Committee in office used third party and independent consultants to conduct the duties it was assigned. In particular, the Committee in office: (i) with regard to the activity carried out in the field of "appointments", continued to use a third-party and independent consulting firm to carry out the annual self-evaluation activity of the Board of Directors and the Committees established within it; (ii) with regard to the activity carried out in the area of "remuneration," it engaged a third-party and independent consultant to assist in the preparatory activities for the preparation of the Report on 2022 Remuneration Policy and Compensation Paid in 2021, including in the definition of the Remuneration Policy Guidelines for 2022.

The Remuneration and Appointments Committee has a budget of 50,000.00 Euro gross annually for 2022, allocated by the Company's Board of Directors.

In the current year, at the date of approval of this Report, the Remuneration and Appointments Committee had held 6 (six) meetings, one of which, jointly with the Control, Risk and Sustainability Committee. For the remainder of the year, given the renewal of the Board's term of office, work planning will be carried out by the Remuneration and Appointments Committee, which will be appointed for the three-year period 2022-2024.

8-REMUNERATION OF DIRECTORS

For information concerning the above, reference is made to the Report on the 2022 Remuneration Policy and Compensation Paid in 2021, drafted in terms of Article 123-ter of the Consolidated Law on Finance, which is published according to the time limits stipulated by law.

9-CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Composition and requirements

In accordance with Recommendation 35 of the Corporate Governance Code, on the basis of the resolutions taken on 22 and 30 May 2019, the Board of Directors with responsibility for steering and assessing system adequacy, established a Control and Risk Committee as per Recommendation 32, lett. (c) of the Corporate Governance Code, with the following members:

- Giacomo Malmesi;
- Sonia Maria Margherita Cantoni;
- Enrica Maria Ghia;
- Cristiano Lavaggi.

In its meeting on 30 May 2019, the Board of Directors appointed Giacomo Malmesi as Chairperson of the Control, Risk and Sustainability Committee.

At the time of the appointment, based on their respective professional backgrounds and taking into account the provisions of the Committee Regulations approved on 05 April 2019, the Board of Directors assessed all of its designated members as having adequate experience in corporate social responsibility.

As a supplement, the following was found: (i) for lawyer Giacomo Malmesi, the possession of adequate experience on strategic planning processes; (ii) for Sonia Maria Margherita Cantoni and lawyer Enrica Maria Ghia, the possession of adequate experience on the evaluation of the processes of operation of complex organisations, strategic planning processes, strategic risk management as well as on the guidance and evaluation of environmental aspects; (iii) for Cristiano Lavaggi, the possession of adequate experience regarding the analysis of accounting and financial reporting.

A prior assessment was made regarding the independence requirements pursuant to articles 147-ter and 148, paragraph 3 of the Consolidated Law on Finance, and in terms of the Code, the following members met the aforementioned requirements:

- Giacomo Malmesi (Chairperson)
- Sonia Maria Margherita Cantoni;
- Enrica Maria Ghia.

Cristiano Lavaggi meets the independence requirements under articles 147-ter and 148, paragraph 3, Consolidated Law on Finance and not also those under the Code.

During the year, the composition of the Committee complied with the provisions of the *pro tempore* Code Recommendations.

Functions and activities conducted during the year

The Control, Risk and Sustainability Committee performs the general task of supporting, through adequate preliminary activities, the assessments and decisions of the Board of Directors relating to the internal control and risk management system, as well as those concerning approval of the financial and non-financial periodic reports.

Pursuant to Article 8 of the relevant Regulation, it shall give its preliminary opinion in order for the Board of Directors to make its own decisions:

- on the definition of the guidelines of the internal control and risk management system, so that the main risks relating to IREN and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, as well as on the determination of the degree of compatibility of these risks with company management consistent with the strategic objectives identified; in particular, the Committee examines the risk analysis carried out: (a) with reference to the IREN Group's multi-year Business Plan, prior to its approval by the Board of Directors of IREN; (b) with reference to strategic initiatives, including merger & acquisition operations, carried out by the Company and/or its subsidiaries, where these fall within the competence of the Board of Directors of IREN;
- on the evaluation, at least annually, of the adequacy of the internal control and risk management system with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness; to this end, the Committee reports to the Board of Directors, at least half-yearly, at the time of the approval of the annual and half-year financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system;

- on the approval, at least annually, of the Audit Plan prepared by the Head of the Internal Audit Function; on the description, in the Report on Corporate Governance and Ownership Structure, of the main features of the Company's internal control and risk management system and the manner of coordination between the parties involved in it, expressing its evaluation of the adequacy of that system;
- on the assessment of the findings set out by the Auditing Firm in the Letter of Recommendation, if any, and in the report on key matters arising from the Statutory Audit;
- on the appointment and revocation of the Head of the Internal Audit Function, on the provision for the same of adequate resources for the latter to discharge the relative responsibilities and on the relative remuneration, defined in accordance with company policies.

The Committee is also responsible for exercising the functions set forth in Recommendation 35 of the Corporate Governance Code, listed below:

- evaluate, together with the Financial Reporting Manager (see below **para. 11.6** and **Annex 3**) and having consulted with the Independent Auditor and the Board of Statutory Auditors, the proper use of the accounting principles and their consistency for the purpose of drafting the IREN Consolidated Financial Statements;
- on an annual basis, review the outcomes of the asset impairment testing;
- conduct a prior review of the six-monthly reporting to the Board of Directors prepared by the Financial Reporting Manager, relating to the activities performed at Group level, any critical issues emerging and the measures undertaken to overcome these, and regarding the outcomes of the evaluation done on the internal control system on the accounting and financial information, necessary for the certifications required by legislation to the Delegated Administrative Body and the Financial Reporting Manager;
- express opinions on specific aspects related to identifying the main business risks; in particular, the Committee expresses opinions on specific aspects related to the Risk Policies, identifying the main business risks and the Audit Plan, and on Guidelines for the internal control and risk management system;
- examine the periodic reports prepared by the relevant functions, concerning the evaluation of the internal control and risk management system, and those of particular significance drafted by the Internal Audit Function;
- to monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit Function;
- to request that the Internal Audit Function carry out checks on specific operational areas, communicating simultaneously with the Chairperson of the Board of Statutory Auditors;
- report to the Board of Directors, at least every six months, upon approval of the annual and interim Financial Report, on its activity and on the adequacy of the internal control and risk management system;
- based on appropriate preliminary work, support the assessments and decisions of the Board of Directors in relation to the management of risks deriving from prejudicial events, which the Board of Directors has become aware of.

In accordance with the Committee Regulations approved on 05 April 2019, the Company's Board of Directors also assigned the following functions on sustainable business management to the Control, Risk and Sustainability Committee:

- express opinions to the Board of Directors of the Company on (a) the definition of "sustainability" policies and principles of conduct, in order to ensure the creation of value over time for the shareholders and for all the other stakeholders; (b) the definition of a sustainability plan (strategic priorities, commitments and objectives) for the development of the economic, environmental and social responsibility of the Group;
- supervise the "sustainability" policies and observance of any principles of conduct adopted on the subject by the Company and its subsidiaries;
- examine the issues under enquiry in terms of long-term sustainability of the basic principles and guidelines of strategic planning, of the Business Plan and of short-term planning, supervising the methods for implementing the same;
- assess, together with the competent Group Function and after consulting the Independent Auditors, the proper use of the standards adopted for the purposes of preparing the non-accounting disclosures provided for in the current legislation;
- supervise the system for assessing and improving the environmental, economic and social impacts deriving from the business activities in the local areas;
- examine the periodic reports on the implementation of the structured comparison measures with stakeholders in the local areas where the Group operates, in particular through Local Committees, and those concerning consistency with corporate social responsibility issues of cultural activities and promotion of the Group's image.

..*

The following is a summary of the main topics reviewed during 2021 by the Committee.

Specifically, with reference to the functional tasks of monitoring the autonomy, adequacy, effectiveness and efficiency of the Company's Internal Auditing and Compliance Department, the Committee reviewed: (i) the Group Audit Plan 2021-2022, expressing in this regard its favourable opinion to the Board; (ii) the Periodic Reports (relating to the 2nd half of 2020 and the 1st half of 2021) of the Head of the Internal Audit Function, containing an evaluation of the suitability of the internal control and risk management system; (iii) the Periodic Reports of the IREN Group Data Protection Officer, prepared to report on the activities carried out by him/her during the reporting periods; (iv) the outcomes of the monitoring on the implementation of the corrective actions planned in response to the findings (follow-up, an activity carried out on a six-monthly basis), focusing in particular on the resolution of the relevant issues outstanding downstream of the follow-up activity carried out by the structure, as well as the results of the audits requested by the Committee itself or by the control and supervisory bodies.

During the year, the Committee reviewed audits conducted by the Internal Auditing Department in connection with events or circumstances that required the Committee's involvement.

With reference to the functions assigned by the Code regarding the system of internal control over financial reporting, the Committee met with the Financial Reporting Manager, the relevant departments of the Company and the contact persons of the Auditing Firm, as well as examined: (i) the periodic reports (relating to the second half of 2020 and the first half of 2021) of the Financial Reporting Manager; (ii) the Impairment Procedure and its outcomes, formulating requests for further details, in advance of the Board of Directors; (iii) the accounting standards applied in the preparation of the financial statements of IREN S.p.A. and the consolidated financial statements of the IREN Group as at 31 December 2021 as well as the Half-Yearly Financial Report as at 30 June 2021, expressing a positive evaluation of the use of the accounting standards and their uniformity for the purpose of preparing the interim financial reports and the consolidated financial statements.

With reference to the sustainability functions assigned by the Board of Directors, the Committee has: (i) evaluated, on the basis of as reported by the Corporate Social Responsibility and Local Committees Department of IREN S.p.A. and having consulted with the statutory auditor, the correct use of the standards adopted for the purpose of preparing the Sustainability Report / Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 of IREN pertaining to 2020; (ii) reviewed the periodic report, pertaining to the 1st half of 2021, on the initiatives put in place by the aforementioned Department for structured discussion with the stakeholders of the territories in which the IREN Group operates, on the activities of the Local Committees and the respective projects being implemented, as well as on the initiatives launched by the Company.

During 2021, the Committee also preliminarily examined: (i) the section on the internal control and risk management system of the Report on Corporate Governance and Ownership Structure for the year 2020, expressing its opinion on the same; (ii) the Guidelines on the Remuneration Policy for Executive Directors and Senior Executives with Strategic Responsibilities of the Group for 2021, the Contingency Plan for Directors holding special offices of IREN as well as the Policy for the Management of Dialogue with Shareholders and Investors in general, jointly with the Remuneration and Appointments Committee, within the scope of their respective functions, for the purpose of the resolutions ultimately falling under the responsibility of the Board of Directors of IREN.

During the year, with specific reference to risk monitoring, the Committee also: (i) reviewed the periodic reports prepared by the Risk Management function, in order to correctly identify business risks and indicators through which these are placed under control, formulating for this purpose requests for further investigation of specific risks deemed to be of particular importance; (ii) reviewed, in advance of the Board of Directors, the Crisis Management Procedure/Business Continuity Model applicable in the Group.

Pursuant to Recommendation No. 35 of the Corporate Governance Code, the Committee reported semi-annually to the Board of Directors (specifically, on 25 March and 3 August 2021) on its activities to continuously verify the suitability of the IREN Group's Internal Control and Risk Management System.

As a preliminary step with respect to its approval by the Board of Directors (on 11 November 2021), in line with similar preliminary activity carried out in previous years, the Committee supported the Board of Directors in the activity related to the Company's Draft Business Plan 2021/2030 and, in particular, (i) in the correct identification of the main and relevant risks pertaining to IREN and its subsidiaries; (ii) in the degree of compatibility of these risks with the identified strategic objectives, with the assistance of the Company's Risk Management, Planning and Control and Corporate Social Responsibility and Local Committees functions.

The Committee also examined the results of the risk evaluations carried out by the aforementioned corporate function with reference to strategic initiatives or merger and acquisition transactions implemented during the year, in support of the decisions of the Board of Directors (by way of example, with reference to the acquisition of the entire share capital of Puglia Holding s.r.l. and some operating companies, the acquisition by a Consortium, formed by Ascopiave, ACEA and IREN, of some of A2A concessions in the gas distribution sector, the acquisition of 80% of the shares of Alegas S.r.l. owned by AMAG S.p.A., the acquisition of 100% of the share capital of Bosch Energy and Building Solutions Italy s.r.l., the acquisition of 51% of Nove S.p.A., formerly an investee).

With regard to the legal risk/compliance monitoring functions, during 2020 the Committee received an in-depth briefing regarding the project that enabled the adoption, within the IREN Group, of an Antitrust Compliance Programme, expressing a positive opinion on the same with a view to approval by the Company's Board of Directors.

Lastly, the Committee examined, to the extent of its competence, the hypothesis of a Settlement Agreement for the consensual early termination of relations between the Company and the Chief Executive Officer and General Manager of IREN in office until 29 May 2021.

Meetings, operating procedures, information flows and resources

During 2021, the Control, Risk and Sustainability Committee held 19 (nineteen) meetings, of which 3 (three) held jointly with the Remuneration and Appointments Committee, with 95% participation of its members (for further details see below **Table 2**). Meetings lasted on average 2 (two) hours and 20 (twenty) minutes.

The work of the Committee was coordinated by the Chairperson and the related meetings were regularly recorded with the assistance of the Secretary, external to the Committee.

As recommended by Recommendation No. 37 of the Corporate Governance Code, the Committee meetings held during the year were attended by the current Chairperson of the Board of Statutory Auditors and/or other Standing Auditor(s) of the Company.

Pursuant to Recommendation No. 17 of the Corporate Governance Code, the meetings of the Committee held in 2020 were attended, at the invitation of the Committee itself, through its Chairperson, by executives and employees of the Company and representatives of the Auditing Firm, also for the purpose of reporting on individual items on the Agenda, to the extent of their competence.

In carrying out its functions, the Committee had the right to access the information and corporate functions necessary for the performance of its duties (these are, primarily, the Internal Audit and Compliance Department, the Risk Management Department, and the Corporate Social Responsibility and Local Committees Department of IREN S.p.A.) as well as to make use of external consultants (in concrete terms, for 2021 said Committee did not make use of them). An information flow of the Committee to the Board of Directors is required. Specifically, during 2021, the Chairperson regularly reported on the Committee's activities at the first useful meeting of the administrative body.

A specific Regulation approved on 05 April 2019 by the Board of Directors disciplines (i) the appointment procedures and subjective requirements for members; (ii) operating procedures, including the deadlines for convening meetings and making available support documentation, focusing on the information flows in respect of the administrative and control bodies; (iii) powers and means at the disposal of the Committee, including the option of using consultants; (iv) the functions assigned to the Committee.

The Control, Risk and Sustainability Committee has a budget of 50,000.00 Euro gross annually for 2022, allocated by the Company's Board of Directors.

During the current year, as of the date of approval of this Report, 7 (seven) meetings of the Control, Risk and Sustainability Committee were held, including one held jointly with the Remuneration and Appointments Committee as well as one held in preparation for the Board of Directors' approval of the Draft Financial Statements as at 31 December 2021, the Sustainability Report/Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016 of IREN pertaining to 2021 and this Report.

For the remainder of the year, given the renewal of the Board's term of office, work planning will be carried out by the Control, Risk and Sustainability Committee that will be appointed for the three-year period 2022-2024.

10-RELATED PARTY TRANSACTIONS COMMITTEE

Composition and requirements

The current Board of Directors, by subsequent resolutions passed on 22 May and 30 May 2019, established a special Related Party Transactions Committee (hereinafter also “RPTC”).

In compliance with the current RPT Procedure updated on 28 June 2021, with effect from 1 July 2021, the Committee in office is composed of four Directors in possession of the independence requisites provided for by art. 147-ter, paragraph 4, and 148, paragraph 3, Consolidated Law on Finance and the additional requirements provided for by Article 3 of the Corporate Governance Code. Pursuant to these provisions, as of 30 May 2019, the following independent Directors are members of the Related Party Transactions Committee:

- Licia Soncini (Chairperson);
- Alessandro Giglio;
- Ginevra Virginia Lombardi;
- Lawyer Giacomo Malmesi⁴.

In its meeting on 29 May 2019, with full participation, the Committee appointed Ms Licia Soncini as Chairperson (she was already a member under the previous mandate).

In order to ensure the dual requirement of independence and non-relation (i.e. unrelated in respect of the counterparty in a specific transaction and its related parties) in the individual transaction under review, prior to dealing with it, the RPTC needs to firstly check that both requirements are held by its members, on the basis of declarations on file and referred to in the minutes of the first available meeting.

If, based on the outcome of this verification, it is ascertained that one or more members of the RPTC do not meet the requirement of independence and/or non-relation in the transaction to be examined and (i) for minor transactions, there are not at least two independent unrelated directors or (ii) for major transactions, there are not at least three independent unrelated directors, a person responsible, alternatively, for the preliminary investigation shall be identified as follows:

- if the IREN Board of Directors should have other independent Directors unrelated to the transaction in question, the composition of the RPTC will be supplemented by the appropriate replacements; the Board of Directors is responsible for identifying a Sub-Committee in order of seniority, and taking into account the duties already assigned in terms of the Procedure and/or Italian Corporate Governance Code, comprising at least two (for minor transactions) or three (for major transactions) independent Directors not associated with the related parties in the individual transaction in question;
- if there is not even one member of the Committee or of the Board of Directors that has the above requisites of independence and non-relation to the transaction in question, the investigation shall be assigned, to (a) the Company’s Board of Statutory Auditors or (b) an Independent Expert appointed by the Company’s Board of Directors as Alternative Overseers.

The resolution taken by the Board of Directors on 30 May 2019 also makes provision in the event of a Committee deadlock on decisions.

Functions and activities conducted during the year (reference)

The Related Party Transactions Committee formulates its opinion on the performance of transactions of lower and greater importance with Related Parties and, in general, performs all the other functions assigned to it regarding transactions with Related Parties, pursuant to the Consob Regulation on transactions with related parties.

During 2021, the RPTC was entrusted with reviewing certain transactions with related parties qualified as being of lower importance in terms of the RPT Procedure and the Consob RPT Regulation. For more information, reference is made to the Annual Management Report.

During the year of reference, the Committee formulated a favourable opinion on the updating of the RPT Procedure, which was approved by the IREN Board of Directors on 28 June 2021, effective 1 July 2021.

Meetings, operating procedures, information flows and resources

During 2021, the Related Party Transactions Committee held 9 (nine) meetings, with an average attendance of 92% of its members (for details see **Table 2** below). The average duration of the meetings was 55 (fifty-five) minutes.

All RPTC meetings were attended by the Chairperson of the Board of Statutory Auditors and, some meetings, another member of the Board of Statutory Auditors.

The work of the Committee was coordinated by the Chairpersons and the related meetings were regularly recorded with the assistance of the Secretary, external to the Committee.

By invitation of the Committee via the Chairperson, Company Managers and employees and directors and Group companies attended certain RPTC meetings during 2021 so as to provide input on individual issues brought to the Committee's attention.

The functioning of the Committee responds, to the extent applicable, to the Recommendations of the Code, for any aspect not expressly regulated by the Procedure itself.

In particular, in accordance with Recommendation 17 of the Code, in performing its duties, the Committee has the right to access information and the corporate functions necessary to carry out its tasks and to avail itself of external consultants to formulate the opinions it has responsibility for in terms of the RPT Procedure.

The Related Party Transactions Committee has a budget of 50,000.00 Euro gross annually for 2022, allocated by the Company's Board of Directors. This is without prejudice in any case to the provisions of the RPT Procedure.

An information flow is required in respect of the relevant Parent Company and subsidiary structures (when involved in transactions with related parties) as specified in the RPT Procedure.

On the date of approval of this Report, the RPTC had held 2 (two) meetings in the current year. Given the nature of the activities performed, it is not possible to plan the RPTC work for the remainder of the year.

11-INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

IREN adopted an Internal Control and Risk Management System consisting of a set of rules, procedures and organisational structures for an effective and efficient identification, measurement, management and monitoring of the main risks, aimed at contributing to the sustainable success of the company.

The Board of Directors defines the guidelines of the Internal Control and Risk Management System in accordance with the company's strategies and annually assesses its adequacy and effectiveness.

The Board of Directors defines the principles concerning the coordination and the flow of information among the parties involved in the Internal Control and Risk Management System. Such principles aim at maximising the effectiveness of the system itself, reducing the duplication of activities and ensuring the successful performance of the duties of the control body.

The organisation of the Internal Control and Risk Management System, each according to their respective competencies, involves:

- a) the Board of Directors, which plays a role in guiding and assessing the adequacy of the system;
- b) the Directors in charge of establishing and maintaining the Internal Control and Risk Management System i.e. the Chairperson, the Deputy Chairperson and the Chief Executive Officer each with reference to the area to which their respective delegated authority pertains;
- c) the Control, Risk and Sustainability Committee, set up within the Board of Directors, with the task of supporting the Board's assessments and decisions relating to the Internal Control and Risk Management System (ICRMS) through adequate investigation activities and relating to the approval of periodical financial and non-financial reports;
- d) the Head of the Internal Audit Function who is in charge of verifying that the Internal Control and Risk Management System is functional, adequate and consistent with the guidelines defined by the board of directors;
- e) the other corporate functions involved in the internal control and risk management system (such as the Risk Management Department and the functions dealing with legal and non-compliance risk), which are articulated in relation to the Iren Group's size, sector, complexity and risk profile, among which, in particular, the Risk Management Director. The latter reports hierarchically and functionally to the Deputy Chairperson of the Company and is responsible for: a) taking care of the design, implementation and maintenance of the Group's

Enterprise Risk Management system; b) taking care of the identification of the main corporate risks through the elaboration of the Risk Map, submitted periodically to the review of the Appointed Directors, the Board of Statutory Auditors and the Control, Risk and Sustainability Committee for their opinions and ultimately to the approval of the Board of Directors; c) controlling the correct application of the Risk Policies that monitor the risks considered most relevant according to the characteristics of the activities carried out by IREN S.p.A. and its subsidiaries (Enterprise Risk Management, Financial, Energy, Operational, Cyber, Climate Change Risk Policy, Tax Control Model), and by submitting a dedicated report every six months for the review of the Appointed Directors, the Board of Statutory Auditors and the Control, Risk and Sustainability Committee for their opinions and ultimately for the approval of the Board of Directors; d) preparing risk analysis related to the risks pertaining to the Business Plan, as well as to strategic initiatives (M&A, industrial, etc...); e) managing Group insurance programmes and asset and liability claims; f) overseeing the Business Continuity Management (BCM) Model, to ensure the continuity of business processes

- f) the Board of Statutory Auditors, which monitors the effectiveness of the Internal Control and Risk Management System.

The IREN S.p.A. Internal Control and Risk Management System also involves the Supervisory Board (SB) appointed by the Board of Directors, pursuant and to all effects of Italian Legislative Decree No. 231/2001 (for the current composition see below **para. 11.3**).

On the basis of the measures undertaken by the relevant company structures, the underlying aspects of the IREN Internal Control and Risk Management System are as follows:

Control environment, comprising:

- ethical values set out in the Code of Ethics approved by the IREN Board of Directors and main subsidiaries;
- Parent Company Guidelines in respect of subsidiaries;
- Organisational structure, with the assignment of duties and responsibilities and the delegation of powers;
- Organisation, management and control model, pursuant to Italian Legislative Decree No. 231/2001;
- Procedure pursuant to Law 262/2005 (Financial Reporting Manager);
- Organisational structure, pursuant to European Regulation on the Protection of Personal Data (GDPR) 2016/679 and Italian Legislative Decree No. 196/2003 and subsequent amendments (Privacy Code);
- ISO certification system for quality, safety and the environment;
- human resources management policies;
- Risk Policy
- Business Continuity Plan Procedure
- Crisis and Emergency Management Procedure

Risk Assessment: is a cardinal aspect of the Internal Control and Risk Management System, based on an Enterprise Risk Management (ERM) System. This System provides for a methodological approach for the identification, assessment and integrated management of risks (treatment, control and reporting) of the Group.

The person in charge of the integrated management of the Enterprise Risk Management (ERM) System for the IREN Group (methodology layout, definition of Risk Policies and System monitoring) is a member of the Board of Directors, who has been conferred a mandate to steer and manage the Risk Management Department. At the date of this Report, the Deputy Chairperson of IREN, Mr Moris Ferretti holds this mandate.

The Risk Management Director reports on a hierarchical and functional level to the mandate holder, and oversees:

- a) planning, implementation and update of the Group's Enterprise Risk Management system;
- b) identification of the main corporate risks, through the elaboration of the Risk Map submitted periodically to the review of the Directors in charge of the Internal Control and Risk Management System, the Board of Statutory Auditors and the Control, Risk and Sustainability Committee for their opinions, and finally to the approval of the Board of Directors
- c) control of the correct application of the Risk Policies, through which the risks deemed most relevant according to the characteristics of the activities carried out by IREN and its subsidiaries are placed under control, submitting a dedicated report every six months for review by the Director in charge of the Internal Control and Risk Management System, the Board of Statutory Auditors and the Control, Risk and Sustainability Committee for their opinions and ultimately for approval by the Board of Directors.
- d) risk assessments pertaining to the Business Plan and Strategic Initiatives (M&A, industrial etc.).
- e) take out and manage, in liaison with the CEO, insurance policies, with the support of the Procurement, Logistics and Services and "Legal Affairs" functions, as well as manage asset and liability claims. A periodic assessment process is also in place with regard to adverse events in the various sectors and across all Group's areas in order to describe

in detail their causes and implement the most suitable methods for preventing and/or limiting the impacts of the events;

- f) oversight of the Business Continuity Management (BCM) Model, aimed at ensuring the continuity of business processes deemed critical in case of disruption.

The Risk Management System envisages specific Risk Policies, with the primary goal of fulfilling strategic guidelines, organisational/managerial principles, macro-processes and techniques necessary for the active management of the related risks. Each Policy provides for specific Commissions, which are coordinated by the Risk Management Department, with respect to the following types of risk:

- Financial Risks (liquidity, interest rate, exchange rate and related limits);
- Credit Risk;
- Energy Risks, attributable to the procurement of gas for thermoelectric generation and to the sale of electricity, heat and gas, and to the hedging derivative markets;
- Cyber Risks, linked to potential events (threats) that by exploiting vulnerabilities result in the loss of confidentiality, integrity or availability of data or information after which negative impacts on the organisation, people, operations or other organisations could derive;
- Risks from Climate Change, which include risks due to the transition to a low carbon dioxide emission economy (transition risks) and risks of a physical nature (physical risks) that may result from catastrophic environmental events (acute risks) or from medium- to long-term changes in environmental patterns (chronic risks);
- Tax Risks, associated with potential transactions carried out in violation of tax regulations or in contrast with the principles or purposes of the tax system;
- Operational Risks, associated with asset ownership, involvement in business activities, processes, procedures, information flows and the corporate image.

The Risk Policies outline the strategies to follow in relation to other risk factors, the management methodology, the Risk Model for risk sources (contained in the ERM Policy), the types of risk managed, the organisational models, risk thresholds and reporting procedures.

The Risk Policies are approved by the Board of Directors of Iren S.p.A. upon the proposal of the Director in Charge of the Internal Control and Risk Management System with delegated powers in the field of Risk Management, formulated in agreement with the Chairperson of the Board of Directors and the Chief Executive Officer (also identified as Directors in Charge of the Internal Control and Risk Management System), to the extent of their respective competences, subject to the non-binding opinion of the Control, Risk and Sustainability Committee as well as after informing the Board of Statutory Auditors. The Risk Policies are subject to update on an annual basis, and in case of substantial changes, these must be approved by the Board of Directors of Iren S.p.A. Once approved, the Risk Policies are circulated within the Group.

In accordance with the Corporate Governance Code, the Risk Management Department presents a Risk Map with the main risks in terms of impact and probability and the applied/applicable mitigation actions (of operational, contractual and insurance nature). The Risk Management Department is in charge of periodically updating the Group Risk Map through interviews with Group Risk Owners and the sharing and fine tuning of the results; the risk map contains qualitative-quantitative assessments of each elementary risk, as well as timely description of existing or prospective controls and mitigation actions

The development of the Group Risk Map follows the approval process provided for Risk Policies. During 2020, a major revision of the Group Risk Map was undertaken, the methodology and results of which were presented to the Control, Risk and Sustainability Committee on 15 February 2021. Subsequently, the Group Risk Map was revised as part of the risk assessment of the Business Plan to 2030, with a detailed qualitative-quantitative analysis of risks with impact in the Plan years.

Control activities, guaranteed on the basis of:

- procedures defined by the holding company and Subsidiaries in order to regulate internal processes, guard against risks pursuant to Legislative Decree 231/2001 and formalise controls to ensure the reliability of administrative-accounting information;
- management and reporting control system;
- segregation of roles with relative check-and-balance mechanisms;
- authorisations on the basis of delegation of powers system;
- validation via IT systems set up to segregate functions;
- an indicators' system.

Information and Communication: are ensured by methods and procedures aimed at ensuring internal information flows relating to objectives, values and company rules, and external disclosure that complies with applicable regulations and the principles of correctness and transparency.

Monitoring: is the series of activities aimed at verifying and assessing the adequacy, functioning and effectiveness of the internal control system, which can be carried out by:

- those in charge of organisational structures and Management, which carry out continuous supervision on a hierarchical and/or functional level, on the current management of activities and an assessment of the control system relating to the activities they have responsibility for, so as to check that the relative risks are adequately managed (“primary line controls”);
- specialist company systems that carry out monitoring with regard to specific areas, such as, the Quality, Safety and Environment functions, referring to Certified Systems, the Financial Reporting Manager, the Supervisory Board pursuant to Italian Legislative Decree No. 231/2001, the Risk Management Department (“second-level controls”);
- the Internal Audit Department, which conducts periodic assessments of the System as a whole and the adequacy and effectiveness of the line and hierarchical controls (“third-level controls”).

Taking into consideration the reports received from time-to-time from the Control, Risk and Sustainability Committee, which are based on the reports of the Head of Internal Audit and contributions from company managers, the Board of Directors has assessed the internal control system, and found that it is effectively functional, adequate and effective in relation to the aforementioned objectives. In this regard, with particular reference to the emergency resulting from the spread of the Covid19 virus, the Control, Risk and Sustainability Committee and the Board of Directors have also received and taken note of information updates regarding the initiatives taken, in concert among the functions involved, by the IREN Group to deal with the emergency situation.

Reference is made to **Annex 3** to this Report for a description of the main characteristics of the existing internal control and risk management system in relation to the financial disclosure process pursuant to Article 123–bis, paragraph 2, letter b) of the Consolidated Law on Finance.

11.1-Directors responsible for the Internal Control and Risk Management System

As already indicated in the Report on Corporate Governance and Ownership Structures 2020, with reference to the indications of the then current Corporate Governance Code (July 2018 edition), more specifically Principle 7.P.3, in 2019, the IREN Board of Directors has identified one or more Directors in charge of establishing and maintaining an effective internal control and risk management system (hereinafter the “**ICRMS Appointed Directors**”).

Following its inauguration, by a resolution passed on 04 June 2019, having regard to the allocation of proxies to them, the current IREN S.p.A. Board of Directors identified as ICRMS Appointed Directors Renato Boero (Chairperson of the Board of Directors), Massimiliano Bianco (Chief Executive Officer and General Manager), and Moris Ferretti (Deputy Chairperson), each with regard to their respective functions and powers.

Following Mr. Bianco’s resignation on 29 May 2021, from the positions of Director and Chief Executive Officer, as well as the resignation from the position of General Manager and the appointment by co-option on the same date of Mr. Armani as Director and Chief Executive Officer, as well as General Manager of IREN S.p.A., the Board of Directors, at the meeting held on 08 June 2021 and in line with the above, appointed the Chief Executive Officer, Mr. Armani, as ICRMS Appointed Director, also noting that the Chairperson and Deputy Chairperson would also continue to serve as ICRMS Appointed Directors, each with reference to the area to which their respective proxies pertain.

In this regard, also taking into account the Q&A functional to the application of the Corporate Governance Code, the Board of Directors, when adopting the Corporate Governance Code (January 2020 edition), together with the IREN S.p.A. Governance evaluations, deemed it appropriate to refrain from making any further decisions in this regard. As things stand, therefore, the three executive directors named above continue to serve as ICRMS Appointed Directors, each with reference to the area to which their respective delegated authority pertains, so as to ensure, overall, the achievement of the objectives underlying the conduct outlined in Recommendation 32 of the Code.

Each of the Directors responsible for the internal control and risk management system, within the scope of their respective roles and mandates, are assigned the duties referred to in Recommendation 34 of the Code.

In 2021, Mr. Boero, Mr. Ferretti, as well as Mr. Bianco (until 29 May 2021) and Mr. Armani (as of 29 May 2021) - with reference to their areas of responsibility and in accordance with the delegated powers conferred - as ICRMS Appointed Directors:

- a) identified the main business risks, taking into account the characteristics of the activities performed by Iren S.p.A. and by its subsidiaries and checked that the same were submitted periodically for review by the Board of Directors; more

specifically, based on IREN's current governance system, the ICRMS Director responsible for Risk Management, in consultation with the other ICRMS Appointed Directors in the scope of their respective responsibilities, also submitted the Risk Policies and the Audit Plan for review by the Board of Directors;

- b) (i) put into practice the guidelines defined by the Board of Directors; (ii) ensuring that the relevant company structures attend to the planning, creation and management of the internal control and risk management system and checking constantly its adequacy and effectiveness, as well as taking care of its adaptation to the dynamics of operating conditions and the legislative and regulatory landscape;

In addition, pursuant to the Code and IREN S.p.A.'s Governance evaluations, the ICRMS Appointed Directors:

- c) may entrust the Internal Audit Function with the performance of audits on specific operating areas and on compliance with the internal rules and procedures in the execution of business operations, communicating this at the same time to the Chairperson of the Board of Directors, to the Chairperson of the Control, Risk and Sustainability Committee and to the Chairperson of the Board of Statutory Auditors;
- d) report promptly to the Control, Risk and Sustainability Committee on the problems and critical issues that have emerged in performance of their work or which they have in any case been informed of, so that the Committee may take the opportune initiatives.

11.2-Head of the Internal Audit Function

In terms of art. 6, Recommendation 36 of the current Corporate Governance Code, the Head of the Internal Audit Function, responsible for checking that the internal control and risk management system is operational and adequate, is appointed by the Company's Board of Directors, on the basis of the proposal from the relevant delegated body (also in the capacity of the Director responsible for the internal control and risk management system) and Chairperson (should this not correspond with the latter), prior to a vote in favour by the Control and Risk Committee and after consulting the Board of Statutory Auditors.

The Head of the Internal Audit Function is not responsible for any operational area and, without prejudice to the competence of the Board of Directors in matters of appointment, dismissal, remuneration and adequacy of resources, for organisational reasons reports to the Deputy Chairperson.

Furthermore, art. 6, Recommendation 36 of the current Corporate Governance Code, the Head of the Internal Audit Function:

- on a continuous basis and with regard to specific requirements and in relation to international standards, checks on the functioning and suitability of the internal control and risk management system, based on an audit plan, approved by the Board of Directors, on the basis of a structured analysis process and prioritising of the main risks;
- has direct access to all the information needed to discharge the appointment;
- draws up regular reports with adequate information on the activities carried out, the methods whereby risk is managed, and adherence to the plans formulated to contain said risks. These regular reports include an assessment on the suitability of the internal control and risk management system;
- promptly prepares reports on significant events;
- sends the reports mentioned in the two previous points concurrently to the Chairpersons of the Board of Statutory Auditors, the Control and Risk Committee, and Board of Directors, as well as the Directors responsible for the internal control and risk management system;
- within the scope of the Audit Plan, checks on the reliability of the information technology in the accounting recording systems.

The Corporate Governance Code requires that the Internal Audit Function as a whole, or individual operating segments, may be entrusted to an external party to the issuer, provided that they have the necessary professionalism, independence and organisation prerequisites and that the adoption of these organisational decisions, which are adequately justified, are communicated to shareholders and to the market in the Corporate Governance Report. IREN S.p.A. has opted to establish within its organisation the Internal Audit Function except as specified below with reference to the activities of Payment Institution carried out by the subsidiary Iren Mercato S.p.A.

In 2021, the role of Head of the Internal Audit Function was covered by Mr Roberto Cogorno, duly appointed by the IREN S.p.A. Board of Directors on 27 January 2015, as proposed by the Chairperson of the Board of Directors (to whom the Internal Audit function reported at the time,); this was later confirmed with the resolution taken on 28 June 2016 and more recently, with the resolution of 19 June 2020 based on the proposal by the Deputy Chairperson, to whom the Internal Audit function reports, in agreement with the Chairperson and Chief Executive Officer, and prior to the vote in

favour by the Control, Risk and Sustainability Committee and after consultation with the Board of Statutory Auditors. Prior to the vote in favour by the Control, Risk and Sustainability Committee and after consultation with the Board of Statutory Auditors, the Board of Directors ensures that the function is provided with adequate resources to discharge its responsibilities and defines the remuneration in line with the relevant company policies.

As of the second half of 2020, by virtue of authorisation obtained from the Bank of Italy, the subsidiary Iren Mercato began to lend, by means of the establishment of special Assigned Capital, in accordance with the provisions of Art. 114 - terdecies of Italian Legislative Decree 385/1993, as amended, Consolidated Banking Law (hereinafter the "T.U.B."), the activity of providing payment services referred to in Article 1, paragraph 2, letter h-septies.1), nos. 7 and 8 of the T.U.B. as so-called non-financial "hybrid" Payment Institution, within the meaning of Articles 114-novies et seq. of the T.U.B.

In view of the specialisation required to carry out the audits on this type of service, the Internal Audit Function in charge of monitoring these Payment Institution activities have been entrusted to a person outside the Group with appropriate professionalism, independence and organisational requirements.

The results of the audits carried out by the aforementioned Outsourced Function are taken into account for the purpose of the overall evaluation of the suitability of the Group's Internal Control and Risk Management System.

It should be noted that the Audit Plan referring to IREN S.p.A. and its subsidiaries, is submitted by the Head of the Internal Audit Function - after consultation with the relevant Delegated Body and the other Directors responsible for the internal control system and risk management and the Board of Statutory Auditors - for review by the Control, Risk and Sustainability Committee, and then for the approval of the Board of Directors. The Audit Plan for the year also includes audits of risk areas under Italian Legislative Decree 231/2001 and is then submitted to the Supervisory Board of IREN S.p.A.

With regard to 2021, the Head of Internal Audit responsible for checking that the internal control and risk management system is functional and adequate, at the time of the approval of the Interim Financial Report and Budget, submitted a summary report on the activities carried out to the Control, Risk and Sustainability Committee, in order to verify that the internal control system was adequate and functional.

More specifically, the aforementioned reports dealt with the following:

- configuration of the current IREN internal control system with reference to its underlying aspects;
- information on the company risk management system (main activities performed by the Risk Management Department over the period);
- outcomes of the audits conducted by the Internal Audit and Tenders Audit function at the Group primary companies, with the aim of monitoring the internal control system pertinent to IREN's more significant processes and the main subsidiaries. A summary of the findings was presented for each audit, together with any recommendations made;
- a summary of the activities performed at IREN and First-Level Companies, both with regard to the implementation of the Organisation, Management and Control Models, pursuant to Italian Legislative Decree No. 231/01 approved by the respective Boards of Directors, and with regard to the implementation of the Project to comply with European Regulation 2016/679 (GDPR) and the activities carried out by the DPO, and in respect of the activities put in place regarding the stipulations under Law 262/05;
- updates on the follow-ups (monitoring on the implementation of the recommendations made and agreed on by management in the audits conducted).

As of 31 July 2019, also in implementing the standards issued by the Institute of Internal Auditors, the Internal Audit Function Mandate has been effective, which identifies the Function's mission, purpose, powers and responsibilities, as approved by the Board of Directors. The provisions in the Mandate were formulated in accordance with applicable legislation and corporate governance rules.

The Board of Directors at its meeting on 29 March 2021 and at its meeting on 29 March 2022 confirmed the Mandate without changes.

11.3-Organisation Model pursuant to Italian Legislative Decree No. 231/2001

IREN S.p.A. and the main Group companies have adopted organisation, management and control models under the terms of Italian Legislative Decree No. 231/2001 (hereinafter "231 Models") with the objective of creating a structured and organic system of procedures and control activities aimed at preventing, as far as possible, conduct that can entail committing the crimes contemplated by Italian Legislative Decree No. 231/2001 ("Administrative liability of Entities").

The ongoing commitment to strengthening the "system preventing the risk of 231 crimes", the continued legislative amendments extending administrative liability to new types of crimes and the organisational changes frequently undertaken by Iren Group companies, therefore make it necessary to constantly revise and update the Organisation,

Management and Control Models of the different companies, in order to ensure they remain appropriate to preventing the crimes stipulated under the aforementioned Decree.

The revision activity of 231 Models carried out during 2021 included the following main changes and additions, among others:

- revised mapping of processes, identifying the 231 crimes that are potentially applicable;
- review and implementation of specific control protocols specific already included in the Model;
- restructuring of the special sections;
- updates in respect of new legislation introduced, with specific reference to the new tax crimes.

The Projects provide, as a final step, for the presentation of the updated 231 Model first to the Supervisory Board of the Company to which it relates, in order to acquire a favourable opinion, and then to the Board of Directors for its approval, which determines its entry into force.

Specifically, during 2021, the 231 Models of the following companies were approved by their respective Boards of Directors after review by their Supervisory Boards: IREN Acqua Tigullio, AMIAT, AMTER, IREN Mercato and Valle Dora Energia.

The 231 Models of the Companies TRM, IREN Smart Solution, IBLU, and Recos were presented to the Supervisory Boards during the six-month period and were sent to their respective Boards of Directors for approval in early 2022.

The second half of the year also saw the start of projects to prepare and/or update the 231 Models of the newly acquired Companies - UHA and IREN Ambiente Toscana.

The General Section of the 231 Model includes:

- a description of the regulatory framework;
- a description of the business environment, governance model and company's general organisational structure;
- the method followed in formulating the Model;
- IREN S.p.A. sensitive activities;
- the composition, functioning and characteristics of the Supervisory Board;
- the disciplinary and sanctions system;
- the training and communications plan;
- the criteria for updating and rendering the Model compliant;

and the "Special Sections", which identify the Company's sensitive activities at risk of the unlawful deeds pursuant to Italian Legislative Decree No. 231/01 potentially being committed. These also define the general codes of conduct, general control protocols and specific control protocols that all Model Recipients must comply with to prevent the crimes contemplated in the Decree being committed.

An essential part of the Organisation, Management and Control Model is the Code of Ethics. The most recently updated version was approved by the IREN Board of Directors on 18 December 2020.

In relation to the ever-increasing need to continue to raise awareness among IREN personnel on the issues of Legislation 231, the Project to prepare a new training course, which will be delivered, as at present, in e-learning mode, also continues.

IREN has opted for a collegial composition to its Supervisory Board, in that this decision establishes a body that as a whole can meet the requisites of autonomy, independence, professionalism and continuity in operations required by law.

On 19 June 2019, the Board of Directors appointed a new Supervisory Board for a three-year term. The members of the Board are Adalberto Alberici (Chairperson), Lawyer Letizia Davoli and Lawyer Giorgio Lamanna. The Board of Directors also appointed the Head of "231 System Compliance and Privacy" Function as the internal Contact Person within the SB in order to ensure the coordination and continuity in operations of the Board itself and having a constant reference in the Company.

IREN Supervisory Board, availing itself of the competent corporate functions, performs checks on areas of activity considered at risk under the terms of Italian Legislative Decree 231/2001 and reports semi-annually to the Board of Directors about the activities carried out and the findings: where necessary, the Supervisory Board makes suggestions aimed at improving the control system of activities and monitors implementation thereof.

Both the General Section of the Model and Code of Ethics are available on the Company's website (www.gruppore.it) in the section "Investors - "Corporate Governance" - "Corporate documents".

11.4 - GDPR 679/2016 on the protection of natural persons with regard to the processing of personal data

The European Union Regulation on the protection of natural persons with regard to the processing of personal data (GDPR) became applicable in Italy with effect from 25 May 2018.

In accordance with the aforementioned legislation, IREN S.p.A. and the main Group companies, in the person of the Chief Executive Officer (Controller), appointed a Data Protection Officer (DPO) in 2018 pursuant to Article 37 GDPR, in the person of the Parent Company's Head of the 231 System Compliance and Privacy Function. On 22 May 2019, the IREN S.p.A. Board of Directors in office acknowledged the DPO appointment that had previously been made on 18 May 2018. To ensure compliance with the GDPR provisions and nationally applicable legislation on the subject, an appropriate management system was promptly prepared to protect personal data in the Group's main companies, which then continued during 2021 with the implementation of the following:

- review of key Governance procedures and issuance of new ones designed to ensure accountability of Controllers;
 - continued implementation of privacy measures relating to digital transformation projects and initiatives aimed at creating new products and services;
 - support to Group companies with new initiatives involving the processing of personal data;
 - support to the Business in the management of the rights of data subjects;
 - constant updating of the treatment records of major Group companies;
 - continued digitalisation of the Privacy System;
 - monitoring and refining the third-party management process;
 - implementation of specific control audits;
 - e-learning delivery of the course on personal data protection.

11.5-Independent Auditors

With the approval of the financial statements as at 31 December 2020, the assignment was completed for the statutory audit of the Company's accounts conferred on PricewaterhouseCoopers SpA for the nine-year period 2012-2020 by the Shareholders' Meeting of 14 May 2012.

In this sense, as is known, on the recommendation of the Board of Statutory Auditors, in its capacity as the "Internal Control and Audit Committee", the Shareholders' Meeting held on 22 May 2019, has already appointed KPMG S.p.A. to audit the financial statements of IREN S.p.A. for the nine-year period 2021-2029. This resolution was taken at the end of a complex selection procedure that was carried out in accordance with the provisions of article 16 of Regulation (EU) 537/2014 (the "Tender Process").

Subsequently, on 25 November 2019, the Parent Company and KPMG signed a Framework Agreement containing terms and conditions (technical and financial) for the performance, for the 2021-2029 nine-year period by KPMG S.p.A. of (i) the activity of legal audit of Iren's financial statements, and, (ii) the activity of legal audit of the financial statements of the consolidated companies included in the scope of the Tender Process (the "Framework Agreement"). Moreover, the same Framework Agreement contains terms and conditions (technical and economic) for carrying out the limited review activity of the NFS of the Iren Group for the three-year period 2021-2023, with an option to renew for two further three-year periods.

The Shareholders' Meetings of each consolidated company included in the Tender Process, on the basis of a reasoned proposal from their respective Boards of Statutory Auditors, have therefore appointed KPMG S.p.A. to audit their accounts for the 2021-2023 three-year period (with an option to renew for two additional three-year periods), in accordance with the terms and conditions of the Framework Agreement.

After the signing of the Framework Agreement, the dynamism that has characterised the Group, both in terms of growth through external lines and in terms of internal reorganisation, has given rise to situations such as to entail changes to the original audit scope entrusted by Iren to KPMG S.p.A. for the nine-year period 2021-2029. More precisely it involves: (i) the expansion of the scope of Iren subsidiaries (direct and indirect) that included entities not contemplated in the Tender Process concluded in 2019; (ii) the changes in size or legal status undergone by some consolidated companies, already included in the audit scope, likely to affect the terms and conditions of the audit engagements already conferred to KPMG S.p.A. by the same companies.

In view of the changes that have taken place in the meantime, it has been necessary to modify the Framework Agreement. The Company, also in the name and on behalf of the companies directly and indirectly controlled by Iren, and KPMG S.p.A. therefore concluded an Addendum to the Framework Agreement, to: (i) extend the statutory audit that KPMG S.p.A. is required to perform, starting from 2021, to the financial statements of companies consolidated in the medium term, following the approach of the sole auditor of the group on which the Tender Process was based; (ii) adjust the terms and conditions of certain statutory audit engagements already assigned to KPMG S.p.A.

Specifically, the increase in audit services provided for in the Addendum to the Framework Agreement concerned the following activities: (i) Statutory audit of the financial statements of subsidiaries, (ii) Statutory audit of the consolidated financial statements of Iren Group, (iii) Limited audit of the consolidated half-yearly report of Iren Group, (iv) Limited audit of the half-yearly report of subsidiaries, (v) Limited audit of the Iren Group NFS.

To retain the Independent Auditors' independence, the Group applies Guidelines that regulate the assignment by Group companies of appointments and activities to the company and its related network. Based on this procedure, the IAIAC issues a preliminary binding opinion should Group companies intend entrusting additional appointments, other than the primary audit function to the Group's principal Independent Auditor or network member firms, and when there is no incompatibility in terms of the law.

11.6-Financial Reporting Manager

In terms of Article 33 of the By-laws, prior to obtaining the mandatory and non-binding opinion of the control body, the Board of Directors appoints and revokes the Financial Reporting Manager (required pursuant to Article 154-bis of the Consolidated Law on Finance, as introduced by Italian Law No. 262/2005 and amended by Italian Legislative Decree No. 303/2006 and by Italian Legislative Decree 195/2007) and determines the relative fee.

The same article further stipulates that the Financial Reporting Manager must have the professionalism requirements and specific expertise in administration, control, accounting, budgets, as well as accounting and financial disclosures. The Board of Directors verifies this expertise, which should have been acquired through work experience at an appropriate level of responsibility, over a period of time spent in the Company or in other comparable companies.

The Board of Directors of IREN, held on 26 November 2021, with the favourable opinion of the Board of Statutory Auditors, appointed for the above-mentioned office, and for an indefinite term, the Director of Administration, Finance, Control and M&A of IREN S.p.A., Anna Tanganelli, having verified that she meets the requirements of the By-laws themselves.

Pursuant to Article 154-bis of the Consolidated Law on Finance, the Financial Reporting Manager, in conjunction with the relevant company functions, prepares the administrative/accounting procedures so as to compile the periodic accounting documentation and any other financial disclosure; together with the Chief Executive Officer, the Financial Reporting Manager certifies that this is effectively applied over the year that the accounting documents refer to.

The Board of Directors ensures that the Financial Reporting Manager has adequate powers and means to discharge the tasks assigned, and that administrative and accounting procedures are effectively complied with.

In its meeting on 26 August 2010, the Board of Directors had approved the "Regulation governing administrative and accounting procedures", and (i) had granted the Executive Committee in office at the time a mandate to make the amendments to the "Regulation" that were deemed necessary to ensure a more effective and timely application of the provisions that became applicable from time-to-time, duly reporting to the Board in this regard; (ii) had granted the Executive Committee in office at the time a mandate to determine an expense budget for the Manager to be used in discharging the relevant functions in the best way possible; (iii) had determined remuneration for the Manager for the same amount recognised by the Shareholders' Meeting to individual members of the Board of Directors. Following the governance changes made during 2013, and the consequent elimination of the Executive Committee, the functions of the latter were then transferred to the Board of Directors.

In its meeting on 10 July 2017, the IREN Board of Directors (i) approved the update to the "Regulation governing Administrative and Accounting Procedures", assigning the Financial Reporting Manager the task of implementing this within the Iren S.p.A. and Group company structures, where the Regulation applied; (ii) authorised the Financial Reporting Manager to draw up company accounting documents and make the regulatory and organisational changes to the "Regulation", including any updates to the corporate perimeter, which were deemed necessary to ensure the more effective and timely application of the Regulation, and duly reporting to the Board in this regard.

Furthermore, to ensure the Financial Reporting Manager could fully discharge the tasks assigned, and for obvious reasons of uniform management at Group level, companies falling within the scope of application of Law 262/05 took the necessary measures to ensure the Regulation was effectively implemented in their respective areas.

To carry out the relevant activities, the Financial Reporting Manager may make use of the organisational structures of IREN's Administration, Finance and Control Department (reporting in hierarchical terms to the latter), and rely on the full cooperation of other Parent Company and subsidiaries' structures, which provide regular information flows and specific certifications for the interim and annual financial statements. This solution makes the reference activities more structured, coordinated and comprehensive and allows for evaluation of the adequacy of the system that governs the preparation of company accounts.

Additional information on the main characteristics of the existing Risk management and internal control system in relation to the financial information process is available in **Annex 3**.

11.7-Coordination between those involved in the Internal Control and Risk Management System

As indicated in the introductory part of this paragraph 11, IREN adopted an Internal Control and Risk Management System consisting of a set of rules, procedures and organisational structures for **an effective and efficient identification, measurement, management and monitoring of the main risks, aimed at contributing to the sustainable success of the company**. IREN has provided for coordination procedures between the various parties referred to above, so as to maximise efficiency in the internal control and risk management system and reduce any duplications in activities.

The Board of Directors, with the support of the Control, Risk and Sustainability Committee:

- a) defines the guidelines of the Internal Control and Risk Management System consistently with the company's strategies and assesses, at least once a year, the adequacy of the internal control and risk management system with respect to the company's characteristics and its risk profile, as well as its effectiveness;
- b) appoints and dismisses the Head of the Internal Audit Function, defining their remuneration which is consistent with the company policies. The board ensures that they have adequate resources to carry out their duties. If the Internal Audit function is entrusted, as a whole or by operating segments, to an external entity, the board ensures that it meets the adequate requirements of professionalism, independence and organisation, providing adequate reasons for this choice in the corporate governance report;
- c) approves, at least once a year, the work plan prepared by the Head of the Internal Audit Function, based on the opinion of the control body and the Director in charge of the internal control and risk management system. The Board of Directors approved the 2020/2021 Audit Plan at its meeting on 25 March 2020;
- e) evaluates the opportunity to take measures to ensure the effectiveness and impartial opinion of the other corporate functions mentioned in recommendation 32, lett. e) (such as the Risk Management Departments and the monitoring of legal and non-compliance risk), verifying that they have adequate professionalism and resources;
- f) assesses, after consultation with the Board of Statutory Auditors, the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the control body;
- g) describes, in the corporate governance report, the main characteristics of the internal control and risk management system and the methods of coordination among the subjects involved. The report provides information about the national and international reference models and best practices adopted and the board's overall assessment of the adequacy of the system itself. Moreover, it provides an adequate explanation of the composition of the supervisory board referred to in letter e) above.

It is also the responsibility of the Company's Board of Directors, subject to the opinion of the Control, Risks and Sustainability Committee: i) the definition of "sustainability" policies and principles of conduct, in order to ensure the creation of value over time for the shareholders and for all the other stakeholders; i) the definition of a sustainability plan (strategic priorities, commitments and objectives) for the development of the economic, environmental and social responsibility of the Group.

The Director responsible for the internal control system and risk management:

- a) identifies the main business risks, considering the characteristics of the activities carried out by the company and its subsidiaries, and periodically submit them to the examination of the Board of Directors;
- b) implements the guidelines defined by the Board of Directors, providing for the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory landscape;
- c) may entrust the Internal Audit Function with the performance of audits on specific operating areas and on compliance with the internal rules and procedures in the execution of business operations, communicating this at the same time to the Chairperson of the Board of Directors, to the Chairperson of the Control, Risk and Sustainability Committee and to the Chairperson of the Board of Statutory Auditors;
- d) reports promptly to the Control, Risk and Sustainability Committee on problems and critical issues that emerged in the performance of his or her activity or of which he or she nevertheless has information so that the Committee can take appropriate actions.

The current Board of Directors has resolved to appoint the Chairperson, Deputy Chairperson, and Chief Executive Officer as "Directors in Charge of the Internal Control and Risk Management System," each with reference to their areas of responsibility, respectively. The Chairperson and Chief Executive Officer tasked with risk management in relation to their respective mandates, act in conjunction with the Deputy Chairperson.

In assisting the Board of Directors, the Control, Risk and Sustainability Committee:

- a) assesses, together with the Financial Reporting Manager and having consulted with the Independent Auditor and the Board of Statutory Auditors, the proper use of the accounting principles and their consistency for the purpose of drafting the IREN Consolidated Financial Statements;
- b) assesses the suitability of periodic financial and non-financial information to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved;
- c) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- d) expresses opinions on specific aspects concerning the identification of the main corporate risks and supports the assessments and decisions of the Board of Directors concerning the management of risks deriving from prejudicial facts of which the latter has become aware;
- e) examines the periodic and particularly relevant reports prepared by the Internal Audit Function;
- f) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit Function;
- g) can entrust the Internal Audit Function with the performance of checks on specific operational areas giving immediate notice to the Chairperson of the Board of Statutory Auditors;
- h) reports to the Board of Directors, when the annual and half-yearly financial reports are approved, on the activities carried out and on the adequacy of the internal control and risk management system;
- i) supports, with adequate investigations, evaluations and decisions of the Board of Directors relating to the management of risks arising out of prejudicial acts, which the Board of Directors has become aware of;
- j) supervises the "sustainability" policies and observance of any principles of conduct adopted on the subject by the Company and its subsidiaries;
- k) reviews the issues in the preliminary work in terms of long-term sustainability of the underlying principles and guidelines of strategic planning, the business plan and short-term planning, monitoring the effective implementation thereof;
- l) in conjunction with the relevant Group function and having consulted the Independent Auditors, assesses the correct use of the standards adopted in order to draft the non-financial information required by the legislation in force;
- m) supervises the system for assessing and improving the environmental, economic and social impacts deriving from the business activities in the local areas;
- n) examines the periodic reports on the implementation of the structured comparison measures with stakeholders in the local areas where the Group operates, in particular through Local Committees, and those concerning consistency with Corporate Social Responsibility issues of the Group's cultural and image promotion activities.

The IREN S.p.A. Control, Risk and Sustainability Committee reviews the risk analysis performed: (a) with reference to the IREN Group's Business Plan, prior to its approval by the Board of Directors of IREN S.p.A.; (b) with reference to strategic initiatives, including Merger & Acquisition operations, carried out by the Company and/or its subsidiaries, where these fall within the competence of the Board of Directors of IREN S.p.A.

The Control, Risk and Sustainability Committee currently in office comprises four non-executive directors, the majority of which are independent, with the Chairperson chosen among the independent directors. At least one member of the committee has sufficient experience in accounting and financial matters or risk management, which was considered suitable by the Board of Directors at the time of appointment.

The Chairperson coordinates the work of the Control, Risk and Sustainability Committee. Minutes are prepared of meetings, and the Chairperson reports to the Board of Directors at the first meeting thereafter.

The Chairperson of the Board of Statutory Auditors or another Statutory Auditor designated by the former may attend Committee meetings; in any case, other statutory auditors may also attend.

The Head of the Internal Audit Function - identified in Iren S.p.A. as the Director of Internal Audit Compliance and Corporate Secretariat - is not responsible for any operational area and, for this role, reports hierarchically to the Board of Directors and has direct access to all information that is useful for carrying out their duty. In the governance system of IREN S.p.A., without prejudice to the competence of the Board of Directors of the Company in matters of appointment, revocation, remuneration and adequacy of resources, for organisational reasons the Head of the Internal Audit Function reports to the Deputy Chairperson.

As also indicated above in paragraph 11.2, the Head of the Internal Audit Function:

- a) on a continuous basis and with regard to specific requirements and in relation to international standards, checks on the functioning and suitability of the internal control and risk management system, based on an audit plan, approved by the Board of Directors, on the basis of a structured analysis process and prioritising of the main risks;

- b) draws up regular reports with adequate information on the activities carried out, the methods whereby risk is managed, and adherence to the plans formulated to contain said risks. These regular reports include an assessment on the suitability of the internal control and risk management system;
- c) also at the request of the Board of Statutory Auditors, reports on events of particular relevance;
- d) sends the reports mentioned in points c) and d) above, concurrently to the Chairpersons of the Board of Statutory Auditors and the Control, Risk and Sustainability Committee, and Board of Directors, as well as the Director responsible for the internal control and risk management system, except in cases where the subject of such reports specifically concerns the activity of such persons;
- e) within the scope of the Audit Plan, checks on the reliability of the information technology in the accounting recording systems.

The Risk Management Director, who reports hierarchically and functionally to the Deputy Chairperson:

- a) oversees the planning, implementation and monitoring of the Group's "Enterprise Risk Management" system, including providing coordination for the preparation and updating of the risk policy and risk map;
 - b) oversees the identification of the main corporate risks, through the elaboration of the Risk Map submitted periodically to the review of the Appointed Directors, the Board of Statutory Auditors and the Control, Risk and Sustainability Committee for their opinions, and finally to the approval of the Board of Directors;
 - c) monitors the correct application of the Risk Policies that monitor the risks identified as "top" according to the characteristics of the activities carried out by IREN S.p.A. and its subsidiaries (Enterprise Risk Management, Financial, Energy, Operational, Cyber, Climate Change Risk Policy, Tax Control Model), and submits a dedicated reporting every six months for review by the Appointed Directors, the Board of Statutory Auditors and the Control, Risk and Sustainability Committee for their opinions and ultimately for approval by the Board of Directors;
 - d) processes risk analysis related to the set of risks pertaining to the Business Plan, as well as strategic initiatives (M&A, industrial, etc.);
 - e) manages Group insurance programmes and asset and liability claims;
 - f) oversees the Business Continuity Management (BCM) Model, to ensure the continuity of business processes.

12-DIRECTORS' INTEREST AND TRANSACTIONS WITH RELATED PARTIES

The Board of Directors adopts appropriate operating solutions to facilitate the identification and adequate management of situations where a Director may be vested with personal interests or interests on behalf of third parties.

As provided for in Article 2391 of the Italian Civil Code, Directors that have (personally or on behalf of third parties) an interest in a particular transaction must provide advance notice to the other Directors and the Board of Statutory Auditors, specifying the nature, terms, origin and scope thereof; in the case of executive Directors, the latter must also refrain from executing the transaction, designating the Board of Directors to do so. Resolutions taken by the Company's Board of Directors in the cases referred to above, must justify the reasons and feasibility for the Company to carry out the transaction.

Pursuant to Article 2391-bis of the Italian Civil Code, the IREN Board of Directors adopts rules to ensure the transparency and substantial and procedural correctness in transactions with related parties and discloses them in the Management Report. To this end, it may consider seeking the assistance of an independent expert, depending on the nature, value or characteristics of the transaction. The Board of Statutory Auditors oversees compliance with the adopted rules and refers to them in its Report to the Shareholders' Meeting.

IREN S.p.A. related-party transactions' procedure

In implementing the mandate under Article 2391-bis of the Italian Civil Code, on 12 March 2010, in terms of Resolution No. 17221 of 12 March 2010, Consob approved a Regulation stipulating that listed companies must adopt procedures by 1 December 2010 that would ensure transparency and substantial and procedural correctness in transactions with related parties. In this regard, also taking into consideration the recommendations in the Stock Exchange Code applicable at the time, on 30 November 2010, the IREN S.p.A. Board of Directors unanimously approved an internal Regulation for related-party transactions (hereinafter the "IREN Regulation"), which came into force from 1 January 2011, and was subsequently amended in February and December 2013, and more recently in March 2015.

On 15 March 2016, the Company's Board of Directors adopted an Operating Procedure to manage Related-party Transactions, which supplemented and detailed the provisions of the aforementioned IREN Regulation.

In implementing the provisions under Article 14.1 of the IREN Regulation, on 12 April 2018, the Company's Board of Directors approved with the deferred effective date of 1 July 2018, a new Procedure for related-party transactions

(hereinafter the “**Procedure**”). From the above date, this is the only reference document in the Group, and is available on the IREN Group website (www.gruppoiren.it), in the Section “*Investors – Corporate Governance – Related Parties*”.

With a view to simplifying and rationalising, from 1 July 2018, the Procedure replaced any company documentation applicable up to then on transactions with related parties.

On 2 July 2018, the Company’s Board of Directors approved certain revisions in the Procedure, relating to para. 8.5 in the document.

On 30 May 2019, the Board of Directors approved an update to the Procedure, after amending Article 7.1, on the quantitative composition of the Related Party Transactions Committee.

Recently, with resolution adopted on 28 June 2021, effective as of 1 July 2021, the Company’s Board of Directors approved an update to the Procedure, implementing the amendments made by Consob Resolution no. 21624 to the text of the Consob Related Parties Regulation.

The Independent Directors Committee voted in favour with regard to the decisions vested with the Company’s Board of Directors (as from December 2014, this referred to the IREN S.p.A. Related Party Transactions Committee) referring to the IREN Regulation, including the relative intervening updates, and the Operating Procedure for managing Transactions with Related Parties, including its updates.

Prior approval was also obtained from the Company’s Related Party Transactions Committee regarding the content of the IREN S.p.A. Procedure for Transactions with Related Parties, which was last updated on 28 June 2021, effective 1 July 2021.

The Applicable Procedure, similarly to prior documents, refers to the definitions and provisions in the Consob Regulation from the perspective of improving protection and operations.

The Procedure was therefore prepared in implementation (i) of the provisions regarding transactions with related parties set forth in article 2391-bis of the Italian Civil Code, as most recently amended by Legislative Decree No. 10 May 2019, No. 49 regarding “*Implementation of Directive 2017/828 of the European Parliament and of the Council of 17 May 2017, amending Directive 2007/36/EC as regards the encouragement of long-term shareholder commitment*”; (ii) the Regulation containing provisions on related party transactions, adopted by Consob with Resolution No. 17221 of 12 March 2010 as subsequently amended by subsequent resolutions (in particular, with the amendments made by Resolution No. 21624 of 10 December 2020), taking into account the indications set forth in Consob Communication No. DEM/10078683 of 24 September 2010; (iii) the provisions of Article 114 of Legislative Decree No. 24 February 1998, No. 58 (the “*Consolidated Law on Finance*” or “*CFA*”).

The main changes made when adopting the Procedure, by resolution of the Board of Directors of IREN S.p.A. passed on 28 June 2021, effective 1 July 2021, concern in brief:

- (i) in art. 3.1, the notion of Related Party, which, as of the effective date of the new Procedure, is aligned with the IFRS in force from time to time (in particular, IAS 24);
- (ii) in art. 3.2, the notion of Related Party Transaction, with a view to aligning it with the IFRS and, in particular, with IAS 24;
- (iii) in art. 3.3.1, the introduction of a new definition regarding the Directors involved in the Transaction, who are required to abstain from voting on the Transaction itself, both for Minor Transactions and for Major Transactions;
- (iv) in art. 3.3.5, a better illustration of the Conditions that can be considered equivalent to Market or Standard Conditions, identified in the participation in tenders in certain hypotheses identified by the Procedure;
- (v) in art. 6.2, the introduction of an information flow to the Committee with respect to exemptions;
- (vi) in articles 9 and 10, (a) the specification that the opinion issued by the Committee is to be understood as a separate document from the minutes of the meeting; (b) the reinforcement of the checks by the Committee regarding the independence of the experts appointed to support the examination of the Transaction;
- (vii) in art. 14.5, the provision for the involvement of the Committee, at least on an informational basis, with regard to Ordinary Major Transactions and those concluded at Conditions equivalent to Market or Standard Conditions.

The type of transactions

In accordance with the provisions of the Consob Regulation, transactions with related parties were divided into transactions of greater importance, transactions of lower importance and transactions for small amounts and transactions excluded from the Procedure’s scope of application, with the provision of procedural arrangements and transparency differentiated according to the type and importance of the transaction.

Persons responsible for preliminary work and nature of the opinion

Duties and responsibilities for transactions with Related Parties, including the relevant opinion on Transactions, where applicable in terms of the Applicable Procedures, are entrusted to the Related Party Transactions Committee (hereinafter the “RPT Committee”), comprising four independent Directors.

In the case of transactions involving the remuneration of Directors with Specific Duties and Senior Executives with strategic responsibilities, the Remuneration and Appointments Committee is responsible for the preliminary work, where this duty has not been specifically assigned to the RPT Committee, and in any case is limited to cases where the Remuneration Committee meets the minimum requirements of independence and non-relation of its members as required by the Consob Regulation.

To ensure the Independence and/or Non-Relation requirement in the Transactions to be examined, the Committee firstly verifies that its members have both these requirements, on the basis of the declarations included in the minutes of the first available meeting.

If, based on the outcome of said verification, it is ascertained that the requirement of independence and/or non-relation does not exist in the transaction to be examined in the case of one or more members of the RPTC, and (i) for minor transactions, there are not at least two independent unrelated directors or (ii) for major transactions there are not at least three unrelated independent directors, an alternate person in charge of the investigation is identified, as follows (i) if there are other independent and unrelated directors on the Board of Directors of IREN in the transaction to be examined, the composition of the RPTC shall be supplemented by appropriate substitutions, assigning the Board of Directors the task of identifying, in order of seniority, taking into account the availability and positions already assigned pursuant to the Procedure and/or the Corporate Governance Code, a Sub-Committee composed of at least two (for minor transactions) or three (for major transactions) independent and unrelated Directors in relation to the individual related party transaction to be examined; (ii) if there is not even one member of the Committee nor of the Board of Directors who meets the requirements of independence and non-relation with regard to the transaction to be examined, an Independent Expert appointed by the Company’s Board of Directors will be assigned as Alternative Overseer.

For information on the composition and functioning of the Company’s Remuneration and Appointments Committee and Related Party Transactions Committee reference is made above to **paragraphs 7 and 10**, as well as below in **Table 2**.

Specifically, the RPTC or body or the person/s responsible for the preliminary work:

- (i) with regard to transactions of lower importance, expresses/express a preliminary justified non-binding opinion on the Company’s interest in carrying out the transaction and the feasibility and substantial correctness of the relative conditions;
- (ii) with regard to transactions of greater importance, without prejudice to the Board of Directors’ right to make decisions, is/are involved in the preliminary work stage and expresses/express a binding justified opinion in advance in favour on the Company’s interests in carrying out the transaction, and on the feasibility and substantial correctness of the relative conditions.

Internal and public disclosure

With regard to public disclosure, the provisions in the Consob Regulation on the subject are fully referenced herein.

In terms of the Applicable Procedure, the RPTC (possibly supplemented by the Designated Members) is continually kept updated, even after the transaction is concluded, in respect of all the executive actions put in place by the parties involved, receiving a copy of all the relevant documentation, which should also highlight any critical aspects or anomalies that arose.

The Board of Statutory Auditors’ supervisory role

The Board of Statutory Auditors monitors that the Applicable Procedure complies with the principles in the Consob Regulation, and that it is adhered to.

The Company and its subsidiaries apply the principles of transparency and correctness to relations with related parties, made known in the Management Report (in accordance with Article 2391-bis of the Italian Civil Code). These transactions mainly concern services provided to customers in general (gas, water, electricity, heat, etc.) or following concessions and the awarding of services, in particular for the waste management segment, and are governed by the contracts applied in these situations.

Where this does not refer to the provision of the aforementioned services, transactions are governed by specific agreements, the terms of which are established, where possible, in accordance with normal market conditions. If these references are not available or significant, the contract conditions are also defined in consultation with independent experts and/or professionals.

13-BOARD OF STATUTORY AUDITORS

13.1 - Appointment and replacement

Without prejudice to shareholder agreement provisions on the subject, under **para. 2.6**, similarly to the By-laws referring to the appointment of Board members, Statutory Auditors (Standing and Alternate) are also appointed using the “voting list” mechanism, to ensure that an appropriate number of designations for these positions is held by non-controlling interests, and that there is gender balance within the Board in line with best practices, and in any case, in accordance with the minimum proportions stipulated by pro tempore applicable legislation. Articles 28 and 29 of the By-laws govern the deadlines and procedures for filing and publishing lists, and the relevant documentation, in accordance with applicable regulations.

More specifically, Article 29, paragraph 2 of the current By-laws requires that candidate lists are filed at the company’s registered office, together with the relative support documentation, within the twenty-fifth day preceding the date of the Shareholders’ Meeting in first or single call, with the relevant publication by the Company at least twenty one days prior to the date of the Shareholders’ Meeting, again in first or single call, based on the procedures contemplated by applicable legislation.

The deadlines and procedures for filing lists are specified by the Company in the respective call notice.

Eligibility to present lists.

Each shareholder may submit or vote for one single list, even via a third party or trust company. More specifically, lists may only be presented by shareholders who, either autonomously or with other Shareholders, represent at least 1% of the share capital with voting rights in the Shareholders’ Meeting, or to the lesser extent contemplated by law or regulations, where applicable. The minimum shareholding required to present candidate lists for election to IREN’s control body for the 2021-2023 term, was confirmed by Consob (with Decision No. 60 of 28 January 2022) as being 1%, the same as the percentage specified under Article 29, paragraph 1 of the current By-laws.

On the other hand, Shareholders belonging to the same Group and those who enter into a Shareholder Agreement concerning Company shares may not deliver or vote for more than one list, even via a third party or trust company.

Composition of lists.

The lists for the appointment of the Board of Statutory Auditors in office at the date of this Report was collated in accordance with the details in the relevant paragraph in the 2020 Report, to which reference is made.

The following summarises the methods for the composition of the lists for the appointment of the control body under the current By-laws, which already incorporate the amendments/additions passed by the Shareholders’ Meeting held on 05 April 2019 and the Board of Directors’ meeting held on 25 March 2020. The relevant statutory changes, which involve increasing the number of statutory auditors from three to five and adjusting the percentage of statutory auditors (Standing and Alternate) reserved for the less represented gender to the criteria set forth in the *pro tempore* legal and regulatory provisions in force, have been subject to application as of the renewal of the Board of Statutory Auditors for the 2021-2023 term, at the Shareholders’ Meeting to approve the 2020 financial statements.

Each list, in which candidates are listed by a sequential number, is divided into two sections: one for candidates for the office of standing auditor and the other for candidates for the office of alternate auditor. Subsequent to the increase in Standing Auditors mentioned above, in accordance with Article 28, paragraph 1 of the current By-laws, and gender balance regulations applicable under applicable pro tempore legislative and regulatory provisions, the lists for both sections must list male and female candidates alternately.

With the deadline set by law, each list be filed, together with: (i) information on the identity of the Shareholders who have submitted the lists, indicating the total percentage of the shares held; (ii) a declaration by Shareholders other than those who hold, also as a group, a controlling interest or relative majority, indicating the absence of association relationships with the latter; (iii) the personal and professional curricula of each candidate; (iv) each candidate’s declaration, certifying that they hold the requisites of professionalism, integrity and independence, as prescribed by applicable pro tempore legislation; (v) the declaration accepting the candidature; (vi) the list of roles held in other companies.

Appointment mechanisms.

Following the introduction of the benefit of increased voting under Article 127-quinquies Consolidated Law on Finance, to the maximum extent allowed by law (double voting, for which see **para. 2.6**), in accordance with Article 28, paragraphs 2 and 3 of the current By-laws, the appointment of the members of the Board of Statutory Auditors for the three-year period 2021-2023 took place as represented below:

- If the list obtaining the highest number of votes was submitted and voted by shareholders holding at least 40% of the voting rights in the Shareholders' Meeting resolutions requiring a majority vote:

(i) three standing auditors and one alternate auditor will be taken from this list, in the sequential order in which they are listed in the respective sections of the list;

(ii) the fourth and fifth standing auditor and other alternate auditor (of a different gender from the candidate taken from the list with the highest number of votes) will be taken, in the sequential order in which they are listed in the respective sections of the list (and based on which, the chairmanship will vest with the standing auditor listed under number 1), from the list which has received the second highest number of votes among the lists presented and voted by the shareholders not associated – according to the *pro-tempore* current legislation – with the shareholders that have presented or voted the list that has obtained the highest number of votes.

- If the list obtaining the highest number of votes was submitted by shareholders holding voting rights in the Shareholders' Meeting resolutions requiring a majority vote of less than 40%:

(i) three standing auditors and one alternate auditor will be taken from this list, in the sequential order in which they are listed in the respective sections of the list;

(ii) from the list with the second highest number of votes (which has not been submitted or voted for by shareholders associated with the shareholders who submitted or voted for the lists that had the most or third most number of votes, in accordance with the current *pro tempore* legislation) the first candidate of a different gender to the majority of the candidates taken from the list referred to in point (i) above shall be drawn as standing auditor, following the candidates listed order;

(iii) from the list that obtained the third highest number of votes (and which has not been submitted or voted by related Shareholders, in accordance with the legislation in force at the time, with the Shareholders who submitted or voted on the lists that resulted first or second by number of votes), one standing auditor (who will have the role of Chairperson of the Board of Statutory Auditors) and one alternate auditor are taken in the progressive order in which they are listed in the respective sections of the list, the latter of a different gender from the candidate drawn from list referred to in point (i) above.

In the event of an equal number of votes between two or more lists, the most senior candidate in age is elected as Statutory Auditor, without prejudice to the gender balance requirements, and the most senior candidate in age is elected as Chairperson.

In the case of submission of a single list, the Shareholders' Meeting resolves according to the majorities of the law, without prejudice to the provisions of art. 6.1-bis of the current By-laws and compliance with the gender balance requirements.

For the appointment of Statutory Auditors that for whatever reason are not appointed on the basis of voting lists, the Shareholders' Meeting decides on the basis of the majorities stipulated by law. Therefore, in the event of no list being presented, the candidates proposed during the Shareholders' Meeting and voted by the Shareholders' Meeting are elected, without prejudice to the provisions of art. 6.1-bis of the current By-laws and respect for the balance between genders. Similarly, the Shareholders' Meeting elects the Standing and Alternate Auditors required to make up the composition of the Board of Statutory Auditors, and ensure that members are replaced, should the total number of candidates in the voted list be insufficient to achieve this result. In the cases above, candidates for the position of Standing Auditor submitted to the Shareholders' Meeting must be included in one or more lists, where the composition in terms of gender must comply with the principles of proportionality referred to above.

Replacement of Standing Auditors.

The voting list procedure only applies to the replacement of the entire Board of Statutory Auditors.

Otherwise, in the event of a standing auditor being replaced, the alternate auditor from the same list as the standing auditor being replaced shall take over; where this is not possible, the eldest alternate auditor shall take over or, where this would not comply with the gender equality requirements, following the order in which the alternate auditors were listed, the first alternate auditor that meets this requirement shall take over.

Pursuant to Article 2401 of the Italian Civil Code, the appointment of statutory auditors to complete the composition of the Board of Statutory Auditors is made by the Shareholders' Meeting, with the majorities stipulated by law, selecting from the names in the list that the resigned standing auditor was listed in, without prejudice to gender balance; where this is not possible, the Shareholders' Meeting will make the replacement on the basis of the majorities stipulated by law, without prejudice to the provisions of art. 6.1-bis of the current By-laws.

13.2 - Composition.

In accordance with the By-laws applicable⁵, and without prejudice to shareholder agreement provisions on the subject under **para. 2.6**, the Board of Statutory Auditors in office at the date this Report is approved, comprising five standing auditors and two alternate auditors (who may be re-elected at the end of their mandate), was appointed by the Shareholders' Meeting held on 06 May 2021 for the three-year period 2021 - 2023. Therefore, their respective terms of office expire at the Meeting for approval of the 2023 financial statements.

For the appointment of the Board of Statutory Auditors expiring in office, two lists of candidates were submitted, transcribed below with the specification for each of the relative proponent and the respective percentage of votes attributed:

CANDIDATE LIST NO. 1, SUBMITTED BY FSU (FINANZIARIA SVILUPPO UTILITIES S.R.L.) AND THE MUNICIPALITY OF REGGIO EMILIA (ACTING AS THE AGENT OF IREN SHAREHOLDERS LOCATED IN THE PROVINCES OF REGGIO EMILIA, PARMA AND PIACENZA, SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT SIGNED ON 20 MARCH AND 03 APRIL 2019), HOLDING A TOTAL OF 57.877% OF THE SHARES WITH VOTING RIGHTS; THIS LIST OBTAINED 68.78 % OF VOTES IN RELATION TO THE SHARE CAPITAL PRESENT:

STANDING AUDITOR CANDIDATES

- 1) Ugo Ballerini
- 2) Cristina Chiantia
- 3) Simone Caprari
- 4) Margherita Spainì
- 5) Vittorio Guidetti

ALTERNATE AUDITOR CANDIDATES

- 1) Lucia Tacchino
- 2) Daniela Demichelis

CANDIDATE LIST NO. 2, SUBMITTED UNDER THE AUSPICES OF ASSOGESTIONI BY SEVERAL ASSET MANAGEMENT COMPANIES BOTH UNDER ITALIAN AND FOREIGN LAW, ON BEHALF OF THEIR MUTUAL FUNDS AMUNDI ASSET MANAGEMENT SGRPA (MANAGER OF THE FUNDS: AMUNDI SVILUPPO ITALIA AND AMUNDI RISPARMIO ITALIA), ALETTI GESTIELLE SGR (MANAGER OF THE FUND GESTIELLE PRO ITALIA), ANIMA SGR S.p.A. (MANAGER OF THE FUNDS: ANIMA CRESCITA ITALIA, ANIMA GEO ITALIA, ANIMA ITALIA AND ANIMA INIZIATIVA ITALIA), ARCA FONDI SGR S.p.A. (MANAGER OF THE FUNDS: ARCA ECONOMIA REALE BILANCIATO ITALIA 30 AND ARCA AZIONI ITALIA), ERSEL ASSET MANAGEMENT SGR S.p.A. (MANAGER OF THE FUND: FONDERSEL PMI), EURIZON CAPITAL SGR S.p.A. (MANAGER OF THE FUNDS: EURIZON PROGETTO ITALIA 40, EURIZON PROGETTO ITALIA 70, EURIZON PIR ITALIA 30, EURIZON PROGETTO ITALIA 20, EURIZON AZIONI ITALIA, EURIZON PIR ITALIA AZIONI AND EURIZON AZIONI PMI ITALIA), EURIZON CAPITAL SA (MANAGER OF THE FUNDS: EURIZON FUND – EQUITY ITALY AND EURIZON FUND – EQUITY SMALL MID CAP ITALY), FIDEURAM INVESTIMENTI SGR S.p.A. (MANAGER OF THE FUNDS: FIDEURAM ITALIA, PIANO BILANCIATO ITALIA 30, PIANO BILANCIATO ITALIA 50 AND PIANO AZIONI ITALIA), FIDEURAM ASSET MANAGEMENT (IRELAND) LIMITED (MANAGER OF THE FUNDS: FIDEURAM FUND EQUITY ITALY AND FONDITALIA EQUITY ITALY), INTERFUND SICAV (MANAGER OF THE FUND: INTERFUND EQUITY ITALY), LEGAL & GENERAL ASSURANCE (PENSIONS MANAGEMENT) LIMITED, MEDIOLANUM GESTIONE FONDI SGRPA (MANAGER OF THE FUND MEDIOLANUM FLESSIBILE SVILUPPO ITALIA), MEDIOLANUM INTERNATIONAL FUNDS LIMITED – CHALLENGE FUNDS - CHALLENGE ITALIAN EQUITY, PLANETARIUM FUND ANTHILIA SILVER, UBI SICAV FUND ITALIAN EQUITY AND UBI PRAMERICA SGR (MANAGER OF THE FUNDS: UBI PRAMERICA MITO 25 AND MITO 50), HOLDING A TOTAL OF 4.6981% OF THE SHARES WITH VOTING RIGHTS; THIS LIST OBTAINED 15.58% OF VOTES IN RELATION TO THE SHARE CAPITAL:

STANDING AUDITOR CANDIDATES

- 1) Michele Rutigliano
- 2) Sonia Ferrero

ALTERNATE AUDITOR CANDIDATES

- 1) Fabrizio Riccardo Di Giusto
- 2) Barbara Cavalieri

As a result of the vote at the 6 May 2021 Shareholders' Meeting, the composition of the Board of Statutory Auditors was as follows:

- Michele Rutigliano – Chairperson

⁵ The Extraordinary Meeting of 05 April 2019 - which, as mentioned above in para. 13.1, approved a number of amendments to the By-laws, including that of Article 28, which sets the number of standing members of the Board of Statutory Auditors at 5 -, also resolved "to acknowledge that the amendments to the By-laws regarding the appointment and composition of the Board of Directors and the Board of Statutory Auditors will apply to the appointments of these bodies subsequent to the expiration of the term of office of the administrative and control bodies currently in office." Therefore, the current statutory provisions for the appointment and composition of the Board of Statutory Auditors have been applied with effect from the renewal of the auditing body for the three-year period 2021-2023, at the Shareholders' Meeting to approve the 2020 financial statements.

- Ugo Ballerini - Standing Auditor
- Cristina Chiantia - Standing Auditor
- Simone Caprari - Standing Auditor
- Sonia Ferrero - Standing Auditor
- Lucia Tacchino - Alternate Auditor
- Fabrizio Riccardo Di Giusto - Alternate Auditor

There have been no changes in the composition of the Board of Statutory Auditors from the date of their appointment until the date of this Report.

Information on the personal and professional characteristics of each Statutory Auditor (Standing and Alternate) is available in **Annex 2** at the end of this Report

13.3 - Diversity criteria and policies in the control body: compliance with gender quotas and optimisation of professional skills.

In implementation of the provisions then in force of Law No. 120 of 2011 and the Regulation implementing Italian Presidential Decree No. 251 of 2012, aimed at promoting gender balance in the corporate bodies of listed companies, there has been a progressive increase in female representation, as the less represented gender in the composition of the Board of Statutory Auditors, bearing in mind that: (i) at the first renewal of the regulation after its entry into force, in relation to the 2015-2017 term, the legally binding quota of one-fifth (in the person of one Standing Auditor) of the total number of appointable members was reached; (ii) at the next renewal, in relation to the current 2018-2020 term, the minimum legally binding quota of one-third of the appointable members was exceeded, with the appointment of one female Standing Auditor and one female Alternate Auditor, currently in office. As from the renewal of the Board of Statutory Auditors for the 2021-2023 three-year period (and for six consecutive terms), the composition of said body will ensure that the less represented gender constitutes at least a minimum of two-fifths of the total standing members (the proportion already achieved during the current term), in implementation of art. 148, paragraph 1-bis Consolidated Law on Finance (as amended by the 2020 Budget Law).

To date, the corporate bodies have not adopted and implemented any policy for possible additional diversity profiles regarding the qualitative and quantitative composition of the Board of Statutory Auditors, considering that the professionalism requirements for membership of the auditing body, pursuant to articles 2397 of the Italian Civil Code and 148 of the Consolidated Law on Finance and related implementation provisions, on penalty of nullity, together with the representativeness goals envisaged by the voting list mechanism, were deemed suitable for implementation of the ratio referred to in Article 123-bis, paragraph 2, letter d-bis) of the Consolidated Law on Finance. In any case, it should be noted that the appointment of the same individual from the previous term as Chairperson of the Board has enhanced the continuity of auditing body management activities and, therefore, the continuation of additional competence as accrued; this evidence becomes all the more important when one considers that the authority of the Chairperson of the Board is essential for the creation of a spirit of cohesion and cooperation within the auditing body, in order that its complex duties be discharged constructively and even-handedly, especially as regards interaction with other corporate bodies and with company members in general, particularly those responsible for the internal control and risk management system.

Shareholders are required to file, together with the lists, the curriculum vitae of each candidate for the position of member of the Company's supervisory board, containing comprehensive information on the skills they have acquired during their professional experience. On the other hand, in view of the renewal for the three-year period 2021-2023, the Board of Statutory Auditors, which ended its term of office with the Shareholders' Meeting of 06 May 2021, on the basis of the experience gained during its term of office, prepared an orientation document to the Shareholders and the candidates for the office of Statutory Auditor, which gathers some considerations and reflections aimed, *inter alia*, at optimising the qualitative-quantitative composition of the appointing auditing body, with a view to more efficient and effective planning of their respective activities (the "**Board Guidelines**"). The Board of Directors, at its meeting on 23 February 2021, took note of the contents of the Board's Guidelines, providing for their timely publication on the institutional website www.gruppoiren.it, under the section *Investors - Corporate Governance - Meetings - 2021*.

In any case, the competence of the auditing body members extends beyond their professional profile to the study of and constantly updated knowledge of developments in the very broad framework of company activities, not only in business terms, but also with regard to changes in the relevant legislative, regulatory and corporate governance provisions. For information regarding the induction programme over 2021, also organised for the Company's statutory auditors, in line with the recommendations of the Corporate Governance Code, see **para. 4.7**.

13.4 - Independence requirements, causes of ineligibility, incompatibility and dismissal, remuneration.

In accordance with the Consolidated Law on Finance, the Standing Auditors must meet specific independence requirements, as well as the experience and integrity requirements established by regulations of the Minister of Justice together with the Ministry of the Economy and Finance. In addition, article 2, Recommendations 7 and 9 of the Code recommends that the Auditors be chosen from among people who could be qualified as independents based on the criteria of the Code. The Board of Statutory Auditors has responsibility for verification of the said requirements.

The Board of Statutory Auditors:

- verified the independence of its members at the first opportunity after their appointment and, more specifically, during the session of 13 May 2021;
- at its meeting on 18 January 2022, verified the continued existence of the independence requirements for its members for the purpose of disclosure within this Report.

In making the above assessments, the corporate bodies applied the criteria set forth in the Consolidated Law on Finance and the Code with reference to the independence of Directors. In any case, it should be noted that the criterion of article 2, Recommendation 7, letter d) of the Code is not applicable to the Board of Statutory Auditors, since the auditors' compensation is fixed for the three-year term of office, as provided by law.

The members of the Board of Statutory Auditors in office must also be enrolled in the Register of Chartered Accountants.

Under current *pro tempore* legislation, it should also be noted that the position of member of an issuer's auditing body cannot be held by persons who hold the same office in five issuers. Unless they hold the position of member of the auditing body in a single issuer, they may hold other positions as directors or auditors in Italian corporations within the limits set by Consob in this regard, with their own regulations. The members of the Board of Statutory Auditors must, using the procedures and conditions provided by applicable regulations, to report the positions taken or terminated to Consob, who shall publish the acquired information on its website.

Recommendation 37 of the Code provides that a Standing Auditor who, on their own behalf or that of third parties, has any interest in a specific transaction of the Issuer, must promptly inform the other Auditors and the Chairperson of the Board of Directors regarding the nature, terms, origin and scope of their interest. During 2021, no situations occurred in which the members of the Board of Statutory Auditors were required to make such a statement.

With regard to the operating recommendation for determining the Auditors' remuneration under Recommendation 30 of the Code, note that, pursuant to Article 30 of the current By-laws, the shareholders formulate the remuneration of the Board, taking into account the commitment asked of its members, the importance of their role and the size and sectoral characteristics of IREN.

In this regard, the Board of Statutory Auditors, whose term of office ended with the Shareholders' Meeting of 06 May 2021, with the support of an *ad hoc* appointed advisor, carried out a benchmarking analysis of its own remuneration positioning with respect to the main comparables in terms of size and/or sector, the outcome of which was also brought to the attention of the Board of Directors; the respective findings are summarised in the Board's Guidelines.

13.5 – The role of the Board of Statutory Auditors.

Under the traditional model of governance adopted by IREN, the Board of Statutory Auditors, acting in complete freedom and independence within the Company and for its elector Shareholders, in accordance with the Consolidated Law on Finance and the recommendations of the Code, supervises the following:

- compliance with the law and By-laws, in force *pro tempore* (including, inter alia, fulfilment of the requirement to prepare and publish the Non-Financial Declaration pursuant to Italian Legislative Decree No. 254 of 30 December 2016);
- compliance of procedures adopted by IREN with the principles indicated by Consob regarding related parties, as well as respective compliance;
- compliance with the principles of proper management;
- the adequacy of the Company's organisational structure for relevant issues, the internal control system and administrative and accounting system and the latter's reliability in correctly representing management operations;
- the procedures for the practical implementation of the corporate governance rules of the Italian Corporate Governance Code;
- the adequacy of the Company's instructions to its subsidiaries to ensure proper compliance with the disclosure obligations provided by law.

Furthermore, pursuant to Article 19 of Italian Legislative Decree No. 39 of 27 January 2010 and articles 5, 6 and 16 of European Regulation 537/2014 concerning statutory audits, the Board of Statutory Auditors, in its capacity as “Internal Audit and Independent Audit Committee” (hereinafter also “IAIAC”), must undertake the following:

- inform the Board of Directors of the outcome of the statutory audit and provide it with the independent auditors’ report (so-called additional report) together with any observations;
- monitor the financial reporting process and present recommendations or proposals to ensure its integrity;
- monitor the effectiveness of the internal quality control and risk management systems of the company and of the internal audit, as regards the financial reporting of IREN, without breaching its independence;
- monitor the statutory audit of the Separate Financial Statements and Consolidated Financial Statements, also taking into account any findings and conclusions of the quality controls carried out by Consob;
- review and monitor the autonomy of the independent auditors, especially concerning the adequacy of the provision of non-audit services, and, more specifically: (i) contemplate the adoption of appropriate procedures for the prior authorisation of eligible non-audit services; (ii) evaluate in advance each request to refer to independent auditors for eligible non-audit services;
- undertake the selection procedure for the statutory auditor of the Group’s accounts (also tasked with issuing the certificate of conformity of the non-financial declaration); following the selection procedure, it shall recommend to the shareholders’ meeting the industry operators identified for the position.

The outcome of the supervisory activities of the Board of Statutory Auditors is shown in the report to the Shareholders’ Meeting prepared pursuant to Article 153 of the Consolidated Law on Finance and annexed to the documentation of the financial statements. In this report, the Board also divulges the supervisory activities performed on compliance of the procedures adopted by Iren with the principles indicated by Consob concerning related parties, as well as on their compliance on the basis of the received information.

For further information on the role of the Board of Statutory Auditors and its coordination with other organs and functions under the Internal Control and Risk Management System, please refer to **para. 11.7** of this Report.

13.6 - Meetings and functioning.

During 2021, 18 (eighteen) meetings of the Board of Statutory Auditors were held, of which 12 (twelve) after the renewal of the mandate of the body, including through the use of audio and/or video links. The average duration of meetings was about 2 (two) hours, not counting the individual preliminary activity of each Standing Auditor relating to their supervision of the auditing body.

These meetings had an average attendance of 99% of the Standing Auditors.

During the current year 2022, as of the date of approval of this Report, the Board of Statutory Auditors held 5 (five) meetings.

In order to monitor the effective operation of the internal control system and risk management of the Group, in addition to ensuring the clear scheduling of the flow of information with the relevant company functions, the Board of Statutory Auditors urges the participation of at least one of its members in the numerous meetings of the Board of Directors and, above all, of the Board Committees, in order to thoroughly examine, from the preliminary stage onwards, the themes and decisions outlined to the board by the delegated bodies. The presence of at least one Standing Auditor in these meetings ensures a constant and timely exchange of information relevant to the performance of the respective duties of the corporate and examining bodies, having regard to the Company’s business and the most important economic, financial and transactions performed by it and its subsidiaries, as well as to operations in which the Directors have an interest on behalf of third parties.

In this context, it should be pointed out that all explanatory documentation prepared for the abovementioned meetings is also made available to the members of the Board of Statutory Auditors, subject to the same times and procedures for electronic access provided for Directors. In the event that none of the Standing Auditors is present at board meetings, or where the procedures described above do not ensure that information is provided at least once per quarter, each delegated body shall report in writing on their competent activities to the Chairperson of the Board within a maximum period of three months.

In carrying out its supervisory activities, the Board of Statutory Auditors has worked proactively and purposefully with the Internal Audit Function, periodically acquiring information from the relevant contact persons about the progress of the Audit Plan prepared for 2021, and the results of the controls carried out, as well as requesting the execution of extraordinary audits subject to positive feedback in that regard by the competent delegated body.

As already mentioned, the Board of Statutory Auditors also coordinates its work with the Control, Risk and Sustainability Committee (CRSC) through participation, in the meetings of the mentioned Committee, by the Chairperson of the Board of Auditors or another Standing Auditor, in order to acquire information related to the internal control and risk management system adopted by the Company, and all information and/or clarification deemed useful for the conduct of its supervisory activities.

Finally, taking into account the provisions of the Rules of Conduct for the Board of Statutory Auditors of Listed Companies (Rule Q.1.1), the IREN Board of Statutory Auditors has initiated, after selection of an independent and qualified advisor, a self-assessment activity related to the years 2021, 2022 and 2023, regarding its adequate composition, with reference to the requirements of professionalism, competence, honorability and independence required by the regulations; the availability of time and resources adequate to the complexity of the task; and its functioning in relation to the planning of its activities.

The outcomes of the said self-assessment, with reference to 2021, were preliminarily reviewed by the Board at its meeting on 21 April 2022.

For more details on the composition and functioning of the Board of Statutory Auditors, please refer to **Table 3** at the end of this Report.

14-RELATIONS WITH SHAREHOLDERS

The company greatly values communication with shareholders, institutional investors and financial market intermediaries, in order to ensure the broad and timely dissemination of information on the company, in compliance with the provisions issued by the competent authorities.

IREN has established within its organisational structure a dedicated Investor Relations department, with Mr. Domma appointed to the position of Investor Relations Manager. The department is responsible for managing relationships with shareholders and the financial market in general, and publishes in accordance with rules of objectivity and transparency, the information collected by the IREN Group.

The Corporate Affairs Department oversees institutional relations with Consob and Borsa Italiana and, where necessary, may rely on the support of the Investor Relations Department.

The greater interest of the market in the Group is confirmed by the intensification of relations and opportunities for contact with analysts, also following the particularly positive performance of the Group, both economic/financial and in relation to sustainability issues, supported by the first ten-year business plan in the history of Iren. In addition to this, there is the positive effect of the optimisation of Iren's financial profile, through greater recourse to the bond market, compared to the banking channel, confirmed by the issue in 2021 of a Green Bond for 200 million Euro. This instrument contributes to reinforcing the strategic vision, which has always looked to sustainability, the circular economy and energy saving. Relationships with investors have continued as in previous years. The increased interest shown by investors towards the Group has required greater communication. As with previous years, the roadshow, organised from time to time by different brokers, remained the main tool for introducing Iren to Italian and foreign institutional investors, both in terms of equity and credit. In 2021, 16 virtual roadshows and conferences were held in the world's major financial markets (London, Paris, Geneva, Brussels, Luxembourg, Frankfurt). During the year, meetings were held with over 100 investment funds, for a total of 140 fund managers or analysts. The direct day-to-day contact with the managers of institutional funds and financial analysts that oversee the bond is of particular significance. In addition to the roadshows, the Group constantly communicates with the market using different channels, including quarterly conference calls for the presentation of the results for the period. The most important event with the market was the presentation of the Business Plan to 2030, during which top management presented the Group's new strategy and investment plan to the financial community at a dedicated event. For relations with shareholders and the financial market, IREN also makes use of the *Investors* section of the Company's website (www.gruppoiren.it), where information about the IREN Group that is relevant to its shareholders is provided, in order to enable them to consciously exercise their rights.

15-SHAREHOLDERS' MEETINGS

The Shareholders' Meeting held on 06 May 2011, approved the adaptation of the then current By-laws to the regulations contained in Italian Legislative Decree No. 10 of 27 January 2010 (so-called "Record date"), in Article 2391-bis of the Italian Civil Code and Consob Resolution No. 17221 of 12 March 2010, as amended and supplemented (Related Party Transactions).

In addition, the Board of Directors on 14 November 2012 approved the adaptation of the By-laws to the provisions of Italian Law No. 120 of 12 July 2011 in terms of equal access to the management and control bodies of listed companies, and to Italian Legislative Decree No. 91 of 18 June 2012 concerning shareholders' rights.

The Shareholders' Meeting of 5 April 2019 resolved to amend the By-laws. The text currently in force is due to an amendment approved by the Board of Directors on 25 March 2020 by virtue of the specifications provided by Article 25.5(viii) of the same, as mentioned above.

According to the By-laws, both ordinary and extraordinary meetings are convened pursuant to law with publication on the Company's website (www.gruppoiren.it), and pursuant also to any other provisions of law.

The meeting is held at least once a year no more than 180 (one hundred eighty) days from closure of the financial year for approval of the financial statements, since the Company is required to prepare consolidated financial statements. Ordinary and extraordinary meetings are called under the circumstances and procedures according to law; they are held at the registered offices or elsewhere, provided it is in Italy.

The meeting can also be called under other circumstances according to law within the legally established term. The Directors must call a shareholders' meeting without delays when requested by the number of shareholders representing at least one-third of the share capital. Shareholders may not call a meeting to discuss agenda items on which the ordinary shareholders' meeting resolves, in accordance with the law, on the proposal of the Directors or on the basis of a plan or report they have prepared. Shareholders requesting a meeting must prepare a report on proposals relating to agenda items; the Board of Directors shall make the report publicly available, together with their evaluations if any, at the same time as the publication of the meeting call, at the registered offices, on the Company's website (www.gruppoiren.it) and by other means provided by Consob regulations.

The meeting is called under terms of law, with the publication of the announcement performed pursuant to the provisions of the law on the Company's website (www.gruppoiren.it), and any other procedures provided by legislation.

Shareholders who jointly represent at least one fortieth of the share capital may request, under the terms and procedures and within the limits prescribed by current law, the extension of the list of items to be discussed, indicating in the request the additional items proposed or submitting new resolution proposals for items already on the agenda.

Ordinary and extraordinary Shareholders' Meetings are held in a single call, subject to the constitutive and deliberative quorums provided by law for Ordinary Meetings on second call and Extraordinary Meetings after the second call. If deemed appropriate by the Board of Directors, the call notice may also provide for the day for the second call, and for the Extraordinary Meeting only, for a subsequent call.

The call notice must contain an indication of the day, time, and place of the meeting, as well as the list of matters to be discussed and other information required by current laws and regulations.

The right to attend shareholders' meetings and to exercise voting rights is certified by notification to the Company, in accordance with current legislation, by an authorised intermediary, in accordance with its accounting records, supporting the person entitled to vote. The notification is effected on the basis of evidence at the end of the accounting day of the seventh trading day before the date set for the meeting in first or single call. Credit and debit registrations made on accounts after that deadline do not count for the purposes of legitimising the exercise of the right to vote in the Shareholders' Meeting.

Each shareholder entitled to attend the Meeting may be represented by proxy pursuant to law. Electronic notification of the proxy may be made by using the appropriate section of the Company's website (www.gruppoiren.it) or by message sent to the certified electronic mail address as specified in the call notice.

The Company may designate for each meeting, for the first and the subsequent calls, a person to whom shareholders may confer a proxy with voting instructions on all or some of the items on the agenda. This authorisation shall be granted according to the procedure indicated in the call notice, by the end of the second trading day before the date set for the meeting, also for calls subsequent to the first. The proxy is not valid for proposals for which no voting instructions have been given.

The meeting is chaired by the Chairperson of the Board of Directors or, in their absence, by the Deputy Chairperson, or in the absence of the Deputy Chairperson, the Chief Executive Officer or, in the absence all the above, by a person elected by the meeting, with the majority vote of those present.

The Chairperson of the meeting shall appoint a secretary, who may be a non-shareholder and, if appropriate, chooses two scrutineers.

The Chairperson of the shareholders' meeting verifies that the meeting is properly constituted, ascertains the identity and legitimacy of those present, moderates the conduct of the meeting, in compliance with the Shareholders' Meeting regulations (where applicable) and ascertains the voting results.

Pursuant to article 16 of the current By-laws, the resolutions of the Shareholders' Meetings, except as indicated below with reference to increased voting rights, are passed with the constitutive and deliberative majorities established by law. For the appointment of directors and the members of the Board of Statutory Auditors, the meeting shall resolve by relative majority and the provisions of articles 19 and 28 of the current By-laws shall in any case apply.

In particular, pursuant to Article 6-bis of the By-laws, each share gives entitlement to two votes in shareholder resolutions relating to the following matters (i) the amendment of articles 6-bis, 6-ter, 6-quater and 9 of the By-laws, (ii) the appointment and/or dismissal of members of the Board of Directors pursuant to Article 19 of the By-laws, as well as the undertaking of liability action towards them, and (iii) the appointment and/or dismissal of members of the Board of Statutory Auditors pursuant to Article 28 of the By-laws, as well as the undertaking of liability action against them, if both the following conditions are met:

a) the voting rights are held by the same person by virtue of a valid right in rem (full ownership with voting rights, bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least 24 (twenty four) months from the date of effective registration of the person in the special list referred to in Article 6-ter ("**Special List**"); is

b) the occurrence of the circumstances under (a) results also from an appropriate communication from the intermediary pursuant to the applicable rules or by ongoing inclusion in the Special List

The resolutions of the Shareholders' Meetings, except as provided by Article 6.1-bis (increased voting rights), are validly passed with the constitutive and deliberative majorities established by law. For the appointment of directors and the members of the Board of Statutory Auditors, the meeting shall resolve by relative majority and the provisions of articles 19 and 28 of the current By-laws shall in any case apply.

The Shareholders' Meeting resolutions, passed in compliance with the provisions of law and these By-laws, are binding for all shareholders, including those absent or dissenting.

The Board of Directors may use other methods to allow votes to be cast electronically.

With reference to the regulation referred to in Application Criterion 9.C.3. of the Corporate Governance Code, the Board of Directors did not make a proposal to the Shareholders' Meeting in that regard, as the business of the meeting is ordered by the Chairperson at the start of each meeting.

The Shareholders' Meetings are normally attended by all the Directors.

The Meetings are an occasion for informing Shareholders about the Company, in compliance with regulations on inside information. In particular, The Board of Directors has reported to the Shareholders' Meeting on the activities performed and planned, and of Directors has made efforts to provide shareholders with proper and essential information for them to be able to take informed decisions on the competent matters of the shareholders' meeting.

On 06 May 2021, the Ordinary Shareholders' Meeting of IREN S.p.A. was held.

At the Shareholders' Meeting, 14 Directors in office as of that date attended.

STOCK PERFORMANCE

In 2021, the world's major stock market indices reported an upward trend, thanks largely to actions to counter the spread of Covid-19 and the resulting expectations of economic recovery. These positive expectations were, moreover, supported by the Next Generation Fund European financing plan as well as by the expansive monetary policies of the major international central banks.

The year 2021 was characterised by extreme volatility in the energy scenario and higher than expected inflation rate. Both phenomena, which can be traced back to the development of the Covid emergency, negatively impacted the markets, particularly in the last quarter.

Despite this, in the course of 2021, the FTSE Italia All-Share (the main index of the Italian Stock Exchange) reported an increase of 23.7%, which reflects the positive expectations of investors and the expectations of a rapid recovery of the economy confirmed by the GDP trend.

In this context, the four multi-utilities reported an upturn in performance, benefiting from expectations of a positive impact of European and national plans for economic recovery and infrastructure development, in the highly important context of environmental sustainability, and the positive trend in energy prices.

At 30 December 2021, the last trading day in 2021, the price of IREN share stood at 2.654 euro per share, up by 24.8% compared to the price at the beginning of the year, with average trading volumes during the period amounting to approximately 1.88 million units. The average price in 2021 was 2.48 euro per share.

The maximum for the period, taking the daily closing prices as reference, was recorded on 10 November, equal to 2.88 euro per share; the minimum for the period, equal to 2.028 euro per share, was instead recorded on 21 January.

The bond is listed on the Italian Stock Exchange in Milan and is included in the following financial indexes:

- FTSE All Share, the index that includes all the shares listed on the electronic market of the Italian Stock Exchange, with the exception of micro-capitalised companies;
- FTSE Mid Cap, part of the FTSE All Share that includes the shares of medium-capitalised companies;
- FTSE Italia Servizi Pubblici, the sector index that includes the shares of companies that operate within public services;
- The Group is also present in several stock indices defined as sustainable.

16 - ADDITIONAL COMPANY GOVERNANCE PRACTICES

Unless already reported above in the sections of this Report, the Company does not adopt additional corporate governance practices.

17 - CHANGES SINCE THE END OF THE FINANCIAL YEAR 2021

Any eventual changes in the corporate governance structure of the Company between the end of 2021 and the date of approval of this Report, it is acknowledged in the respective sections.

On 20 January 2022, the Board of Directors approved the corporate events calendar for 2022. Said calendar has been published, on the Company's website (www.gruppoiren.it).

18 - CONSIDERATIONS ON THE LETTER OF 03 DECEMBER 2021 FROM THE CHAIRPERSON OF THE ITALIAN COMMITTEE FOR CORPORATE GOVERNANCE

In a letter sent on 03 December 2021, to the attention of the Chairpersons, CEOs as well as the Chairpersons of the supervisory bodies of Italian listed companies (to which Report No. IX on the application of the Code is annexed), the Italian Corporate Governance Committee, while acknowledging in general an increasingly high and, in any case, steadily increasing quality of the information provided by listed companies, identified some areas for improvement for the current year, addressed to all listed companies. More in detail, considering that 2022 represents the first year in which companies will have to communicate their adherence to the new Code, the Italian Corporate Governance Committee has deemed it useful this year to provide an indication of its main innovations, while still highlighting the critical issues resulting from previous monitoring and without prejudice to the fact that some strongly innovative principles and institutes entail the need for a concrete gradual implementation and in line with the principle of proportionality that inspires the Code itself. The areas for improvement are basically inherent:

- to the issue of **sustainable success and, in general, the integration of sustainability into strategies, controls, and compensation**, through a call for appropriate but concise market disclosures on how it is pursued and the approach used in promoting dialogue with relevant stakeholders;
- to the subject of the **policy of dialogue with the generality of shareholders**, through the invitation to provide summary information on its content, without prejudice to the advisability of publishing it in full, or at least in its essential elements, on the Company's website;
- to the issue of the **proportionality of certain Principles and Recommendations** - an issue that, moreover, also has an impact on IREN S.p.A. insofar as it can be assimilated to "large companies with concentrated ownership" - through an invitation to want to evaluate the company's classification with respect to the Code's categories and the simplification options that can be implemented for "not large" or "concentrated" companies as well as to adequately indicate the choices adopted;
- to the issue of the **application of the criteria of independence and the possibility of also qualifying the Chairperson as independent**, through the invitation to provide in the Report on Corporate Governance and Ownership Structure the criteria used to assess the significance of professional, business or financial relationships and additional remuneration, including with reference to the Chairperson of the Board of Directors, if the latter has been assessed as Independent in accordance with the Code;
- to the issue of **improving the management of pre-Board information flows**, through the invitation to the Boards of Directors to take care of the preparation of Board and Committee Regulations having particular attention to the explicit determination of the deadlines considered congruous for sending documentation and the exclusion of generic confidentiality requirements as possible exemptions to compliance with these deadlines as well as to dedicate adequate illustration of the actual compliance with the notice period previously defined and, where in exceptional cases it has not been possible to comply with this deadline, explain the reasons and illustrate how adequate insights are provided at the Board meeting;
- to the issues of the **appointment and succession of Directors**, by means of an invitation to the Boards of Directors - aimed primarily at companies with non-concentrated ownership to (i) express guidance to the shareholders on the optimal qualitative-quantitative position in view of the renewal of the body; (ii) in any case to "require" those who submit a list containing a number of candidates exceeding half of the members to be elected to the body to provide adequate information (in the documentation submitted for the filing of the list) about the correspondence of the list itself to the orientation expressed by the outgoing Board and to indicate their candidate for the office of Chairperson;

- to the issue of **gender equality**, through the invitation to companies to take care of adequate information about the concrete identification and implementation of measures to promote equal treatment and opportunities between genders within the entire corporate organisation;
- to the **remuneration policies**, with particular regard to (i) the improvement of these policies with the definition of clear and measurable rules for the disbursement of the variable component and any severance pay; (ii) the consistency of the parameters identified for the variable remuneration with the strategic objectives of the business activity and the pursuit of sustainable success, subject to the evaluation, where appropriate, of the provision of non-financial parameters, always predetermined and measurable.

Pursuant to its recommendations, the letter and its annex were made available to the IREN SpA Board of Directors in its meeting of 20 January 2022, to the Board Committees (first operative meetings held in January or February 2022) and to the Board of Statutory Auditors, at its meeting of 18 January 2022.

More specifically, the Company's executive body, at the Chairperson's suggestion in the aforementioned session, carefully examined the text of the letter and the salient points highlighted therein, observing that, overall and notwithstanding the need for continuous monitoring to achieve further improvements, the IREN SpA system of governance is substantially aligned with the recommendations in the letter. In particular:

- past initiatives were recalled in order to make the issue of sustainability as pervasive as possible, both in the context of strategic planning and in compensation policies, with particular reference to medium- and long-term variable components;
- it was also recalled that the Engagement Policy, recently approved by the Board of Directors, has been published in its entirety, in both Italian and English versions, on the Group's website, and that with regard to the above issues, information is also given as part of the Non-Financial Statement pursuant to Italian Legislative Decree 254 of 30 December 2016 (hereinafter "**NFS**"), prepared and published annually;
- the Company is already fully aligned with reference to the recommendations regarding independence evaluations, since, since the beginning of the mandate, the quantitative and/or qualitative criteria used to assess the "significance" of the relationships under examination as well as additional remuneration have been predefined;
- currently the Chairperson is considered as "not independent" because he is an Executive Director;
- the Regulations on the functioning of the Board of Directors, particularly the one approved by resolution of 15 February 2022, implement the recommendations of the Italian Corporate Governance Committee;
- with regard to the Recommendation on the succession of Directors, it is recalled that IREN - although not directly held as a company with concentrated ownership - has nonetheless prepared guidance to shareholders on the qualitative and quantitative composition of the new board;
- account was given of the recent launch, within the IREN Group, of the Policy on Diversity and Inclusion, published in a special section of the Group's website (<https://www.gruppoiren.it/diversita-e-inclusione>); information on the subject was also provided in the NFS, also with reference to those previously approved and published;
- regarding the point of attention related to remuneration, it was recalled how the Company is already substantially aligned with the indications, also with reference to the disclosure provided within the Report on remuneration policy and compensation paid pursuant to Article 123-ter Consolidated Law on Finance, since these are indications already known and renewed over the years. In any case, the Recommendations were taken into account when preparing the compensation policy for 2022 and assigning short-term individual objectives for the same year for IREN's CEO and General Manager and for the IREN Group's Senior Executives with Strategic Responsibilities.

TABLES

TABLE 1. INFORMATION ON OWNERSHIP STRUCTURES

As of 31 December 2021, the share capital subscribed and paid is equal to 1,300,931,377.00 Euro, and consists solely of ordinary shares, each with a nominal value of 1 Euro.

SHARE CAPITAL STRUCTURE					
	<i>No. Shares</i>	<i>Nominal value</i>	<i>% in relation to share cap.</i>	<i>Listed/ Unlisted</i>	<i>Rights and obligations</i>
Ordinary shares	1,300,931,377	1.00 Euro	100.000	Listed on Borsa Italiana	
Total	1,300,931,377		100.000		

SIGNIFICANT INVESTMENTS IN THE SHARE CAPITAL (AS AT 31 DECEMBER 2020)		
Declarant	% share of capital	% voting rights of total of voting rights **
FSU srl	18.851	24.84
FCT Holding SpA	13.803	18.191
Municipality of Reggio Emilia	6.423	8.465
Municipality of Parma *	3.163	4.169

* The Municipality of Parma invests directly with 0.43% of the share capital with voting rights, and indirectly through its subsidiaries S.T.T. holding with 1.179% of the voting share capital and Parma Infrastrutture SpA with 1.554 % of the voting share capital.

** Voting rights with reference to shareholder resolutions with increased votes under Article 6-bis of the By-laws.

TABLE 2. STRUCTURE OF THE BOARD OF DIRECTORS AND THE COMMITTEES.

Board of Directors (as at 31 December 2021)													Control, Risk and Sustainability Committee		Remuneration and Appointments Committee		Related Party Transactions Committee	
Office	Members	Year of birth	Date of first appointment ^(*)	In office since	In office until	List (M/m) ^(**)	Executive	Non-executive	Independ. under Code	Independ. under CFA	^(***)	no. of other positions ^(****)	^(*****)	^(***)	^(*****)	^(***)	^(*****)	^(***)
CHAIR	Renato Boero *	09/03/1962	22/05/2019	22/05/2019	Approval FS 2021	M	YES	-	-	-	22/22	-	-	-	-	-	-	-
DEPUTY CHAIR	Moris Ferretti *	28/05/1972	04/06/2015 ⁽¹⁾	22/05/2019	Approval FS 2021	M	YES	-	-	-	22/22	2	-	-	-	-	-	-
CEO and GM	Massimiliano Bianco *	30/08/1971	01/12/2014 ⁽²⁾	22/05/2019	29/05/2021	M	YES	-	-	-	7/7	-	-	-	-	-	-	-
CEO and GM	Gianni Vittorio Armani *	24/07/1966	29/05/2021	29/05/2021	Next Shareholders' Meeting	M	YES	-	-	-	14/14	1	-	-	-	-	-	-
Director	Sonia Maria Margherita Cantoni	16/02/1958	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	YES	YES	22/22	-	M	18/19	-	-	-	-
Director	Enrica Maria Ghia	26/11/1969	22/05/2019	22/05/2019	Approval FS 2021	m	-	YES	YES	YES	22/22	-	M	16/19	-	-	-	-
Director	Pietro Paolo Giampellegrini	14/11/1968	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	YES	YES	22/22	-	-	-	P	17/17	-	-
Director	Alessandro Giglio	30/07/1965	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	YES	YES	22/22	1	-	-	-	-	M	9/9
Director	Francesca Grasselli	13/06/1979	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	YES	YES	22/22	2	-	-	M	17/17	-	-
Director	Maurizio Irrera	17/09/1958	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	-	-	22/22	3	-	-	M	16/17	-	-
Director	Cristiano Lavaggi	08/08/1975	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	-	YES	22/22	0	M	19/19	-	-	-	-
Director	Ginevra Virginia Lombardi	04/07/1966	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	YES	YES	20/22	1	-	-	-	-	M	7/9
Director	Giacomo Malmesi	29/10/1971	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	YES	YES	22/22	-	P	19/19	-	-	M	8/9
Director	Tiziana Merlino	08/06/1974	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	-	YES	22/22	-	-	-	-	-	-	-
Director	Gianluca Micconi	19/03/1956	22/05/2019	22/05/2019	Approval FS 2021	M	-	YES	YES	YES	22/22	-	-	-	-	-	-	-
Director	Licia Soncini	24/04/1961	09/05/2016 ⁽³⁾	22/05/2019	Approval FS 2021	m	-	YES	YES	YES	21/22	1	-	-	-	-	P	9/9
Quorum required for the submission of lists at the time of the latest appointment: 1%											BoD: 22		CRSC: 19		RAC: 17		RPTC: 9	
Number of meetings held in 2021:											BoD: 22		CRSC: 19		RAC: 17		RPTC: 9	

NOTES

* By a resolution passed on 04 June 2019, Iren's Board of Directors identified as ICRMS Appointed Directors, Renato Boero, Massimiliano Bianco (until 29 May 2021) and Moris Ferretti, each with competence for the functions and authorisations they hold in their own right during the current term of office. Following Mr. Bianco's resignation on 29 May 2021, from the positions of Director and Chief Executive Officer, as well as the resignation from the position of General Manager and the appointment by co-option on the same date of Mr. Armani as Director and Chief Executive Officer, as well as General Manager of IREN S.p.A., the Board of Directors, at the meeting held on 08 June 2021, appointed the Chief Executive Officer, Mr. Armani, as ICRMS Appointed Director, also noting that the Chairperson and Deputy Chairperson would also continue to serve as ICRMS Appointed Directors, each with reference to the area to which their respective proxies pertain.

^(*) Date of first appointment means the date on which each Director was appointed for the first time (ever) to the Board of Directors of IREN, a name the Issuer assumed with effect from 1 July 2010, the effective date of the merger of Enia SpA and Iride SpA.

^(**) This column indicates the list voted by the majority (M) or by a minority (m) from which each Director was taken.

^(***) This column indicates the number of meetings (of the Board of Directors and possibly the Board committees) that each Director participated in during the year, compared to the total number of meetings that could have been attended (No. of meetings attended/No. of meetings held during the effective term of office of the director).

^(****) This column indicates the number of director or auditor positions held by each Director in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies, as well as any further positions (excluding those in which IREN directly or indirectly holds an interest), disclosed by the person through completion of the appropriate self-declaration. For a list of positions of each Director, as well as those that may be held in other Group companies, see Table 4 below.

^(*****) This column indicates a Director's possible membership of a Board Committee and specifies the role of Chairperson ("P") and member ("M"), in accordance with the composition of Board Committees identified by IREN Board of Directors resolution of 30 May 2019, in order to ensure an optimal balance of professionalism and expertise within the committees and to safeguard compliance with Italian Corporate Governance Code recommendations in force at the time.

- ⁽¹⁾ Formerly a Director and member of the Remuneration and Appointments Committee with effect from 4 June 2015, Mr Ferretti was appointed Deputy Chairperson (with assignment of powers) by the IREN Board of Directors on 22 May 2019, immediately after his appointment as Director for the 2019-2021 three-year period by the Shareholders' Meeting.
- ⁽²⁾ Formerly Chief Executive Officer as from 1 December 2014, Mr Bianco was appointed to this position (with assignment of powers) by the IREN Board of Director on 22 May 2019, immediately after his appointment as Director for the 2019-2021 three-year period by the Shareholders' Meeting. By resolution passed on 02 July 2019, Mr. Bianco was also appointed to the position of General Manager by the Board of Directors of Iren.
- ⁽³⁾ Formerly a Director and member of the Related Party Transactions Committee in the previous term of office as from 9 May 2016, Ms Licia Soncini was appointed to the position of Director for the 2019-2021 triennium by the Shareholders' Meeting held on 22 May 2019, while a resolution of 29 May 2019 appointed her Chairperson of the Related Party Transactions Committee.

TABLE 3. STRUCTURE OF THE BOARD OF STATUTORY AUDITORS.

Board of Statutory Auditors (as at 31 December 2021)									
Office	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (M/m) (**)	Independence under the Code	Participation in the meetings of the Board of Auditors (***)	Number other assignments (****)
Chairperson	Michele Rutigliano	06/10/1953	28/04/2015 ⁽¹⁾	06/05/2021	Approval of 2023 Financial Statements	m	YES	18/18	5
Standing Auditor	Ugo Ballerini	28/10/1947	06/05/2021	06/05/2021	Approval of 2023 Financial Statements	M	YES	12/12	1
Standing Auditor	Simone Caprari	10/01/1975	19/04/2018 ⁽²⁾	06/05/2021	Approval of 2023 Financial Statements	M	YES	18/18	7
Standing Auditor	Cristina Chiantia	07/05/1975	19/04/2018 ⁽²⁾	06/05/2021	Approval of 2023 Financial Statements	M	YES	18/18	5
Standing Auditor	Sonia Ferrero	19/01/1971	06/05/2021	06/05/2021	Approval of 2023 Financial Statements	m	YES	11/12	10
Alternate Auditor	Riccardo Fabrizio Di Giusto	20/06/1966	06/05/2021	06/05/2021	Approval of 2023 Financial Statements	m	YES	-	4
Alternate Auditor	Lucia Tacchino	18/04/1979	06/05/2021	06/05/2021	Approval of 2023 Financial Statements	M	YES	-	10
Auditors terminated during 2021									
Alternate Auditor	Donatella Busso	30/06/1973	19/04/2018	19/04/2018	06/05/2021	m	YES	-	4
Alternate Auditor	Marco Rossi	05/01/1978	19/04/2018	19/04/2018	06/05/2021	M	YES	-	-
Quorum required for the submission of lists at the time of the latest appointment: 1%.									
Number of meetings held in 2021: 18									

NOTES

(*) The date of first appointment of each Auditor (standing or alternate) means the date when the Auditor was appointed for the first time ever to the Board of Statutory Auditors of the Issuer.

(**) This column indicates the list voted by the majority (M) or by a minority (m) from which each Auditor (standing or alternate) was picked.

(***) This column indicates the number of meetings that each Standing Auditor participated in during the year, compared to the total number of meetings that could have been attended (No. of meetings attended/No. of meetings held during the effective term of office of the party concerned).

(****) This column indicates the number of positions of director or auditor held by each Auditor (standing or alternate) pursuant to Article 148-bis of the Consolidated Law on Finance and the related implementing provisions of the Issuers' Regulations, indicated by the party concerned via completion of a specific self-declaration. The full list of positions is published by Consob on its website (www.consob.it) pursuant to Article 144-quinquiesdecies of the Issuers' Regulation.

⁽¹⁾ Former Chairperson of the Board of Statutory Auditors in the previous term of office as from 28 April 2015, he was confirmed in this position for the 2018-2020 three-year period, and recently, for the 2021-2023 three-year period by the Shareholders' Meeting of 06 May 2020.

⁽²⁾ Former Standing Auditors in the previous mandate starting from 19 April 2018, they were confirmed in this office for the three-year period 2021-2023 by the Shareholders' Meeting held on 6 May 2021.

TABLE 4. OFFICES HELD BY DIRECTORS IN OTHER COMPANIES

The following table shows, for each Director of IREN SpA in office at the date of this Report, the positions of director or auditor held – also at the date of this Report – in other companies listed on regulated markets including abroad, in financial, banking, insurance or large companies, as well as any positions in companies without these characteristics: The Board considered that the positions mentioned below may be considered compatible with the effective performance of the role of Director of IREN SpA.

Renato BOERO (Chairperson)	Moris FERRETTI (Deputy Chairperson)	Gianni Vittorio ARMANI (Chief Executive Officer and General Manager)
Chairperson of Nord Ovest Servizi S.p.A. (*)	Chairperson of IREN Energia S.p.A.(*)	-
Chairperson of Scarlino Energia S.p.A. (*)		
Chairperson of Puglia Holding S.r.l.	Director of CCPL 2 S.p.A.	
	Chairperson of IREN Ambiente Toscana S.p.A. (*)	

Sonia Maria Margherita CANTONI	Enrica Maria GHIA	Pietro Paolo GIAMPELLEGRINI
Director of IRETI S.p.A. (*)		Chairperson of IREN Mercato S.p.A. (*)

Alessandro GIGLIO	Francesca GRASELLI	Maurizio IRRERA
Director of IREN Energia S.p.A. (*)	Deputy Chairperson and Director of GHG Holding S.p.A.	Director of IREN Mercato S.p.A. (*)
Chairperson and Chief Executive Officer of Giglio Group SpA	Director of Grasselli S.p.A.	Deputy Chairperson and Director of REAM SGR S.p.A.
		Director of PerMicro S.p.A.
		Chairperson of the Board of Statutory Auditors of AGFA Finance Italy SpA

Cristiano LAVAGGI	Ginevra Virginia LOMBARDI	Giacomo MALMESI
Sole Director of Liguria Patrimonio S.r.l.	Chairperson of the Supervisory Board of A.S.A. S.p.A.	Director of IREN Ambiente S.p.A. (*)

Tiziana MERLINO	Gianluca MICCONI	Licia SONCINI
-	-	Director of Atlantia S.p.A.

(*) Companies in which IREN SpA holds an interest directly or indirectly.

ANNEXES

ANNEX 1. PERSONAL AND PROFESSIONAL PROFILE OF EACH DIRECTOR

RENATO BOERO – CHAIRPERSON OF THE BOARD OF DIRECTORS



Born in Turin in 1962, he holds a degree in electrical engineering from the Polytechnic University of Turin. He has gained significant experience in industrial contexts in Italy and abroad in the field of power generation, holding roles of increasing technical and managerial responsibility in plant management and resource reorganisation following M&A acquisitions abroad up to the position of Business Unit Director in ENEL S.p.A. In the environmental field for about 10 years, as Technical Director in AMSA S.p.A and A2A S.p.A., managing the P&L > 110 million Euro. He has gained management/organisational experience aimed at first margin improvement, in the modification and upgrading of complex facilities, stream management and optimisation, permitting and construction of new facilities. He has been instrumental in achieving the best standards of circular economy through the construction of greenfield plants for the treatment and transformation of waste into second raw material, reclamation of compromised areas, revamping existing plants. Since 2016, he has served as Chairperson and Board member of Iren Energia S.p.A., TRM S.p.A. and Deputy Chairperson of Utilitalia since 2021 and National Board Member. Chairperson of NOS (Asti) since 2020. Since 2021, he has been Advisory Board Member of Political School Living in the Community.

MORIS FERRETTI - DEPUTY CHAIRPERSON



Born in Reggio Emilia in 1972, he holds a degree in Marketing from the University of Modena and Reggio Emilia. He gained his professional experience in complex medium-sized enterprises in various sectors ranging from industry to services to distribution, where, over the years, he held various positions, such as Personnel Manager, Operations Manager, General Manager and Chief Executive Officer. Among the companies Unicarni; Assofood; CX Packajng Group; CCPL Industrial Group. He has been a board member and member of Iren's Remuneration and Appointments Committee, a board member of Ireti, as well as Chairperson of the Board of Directors of Iren Mercato. He currently serves as Chairperson of the Board of Directors of Iren Energia and Iren Ambiente Toscana. Chairperson since 2020 of Utilitalia Servizi, an operating company of Utilitalia. As executive Deputy Chairperson of Iren Spa, he is delegated to the Internal Audit and Compliance, Corporate Social Responsibility, Corporate Affairs and Risk Management departments.

GIANNI VITTORIO ARMANI - CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER



Since 29 May 2021, he has been Chief Executive Officer of Iren S.p.A.

A graduate in electrical engineering from La Sapienza in Rome, he completed his studies in business administration and finance management with an MBA from MIT in Boston. He was director of Strategy, Regulatory and Business Development at A2A contributing to the setting up and launch of the new business plan. From 2015 to 2018, he served as Chairperson and CEO of Anas SpA, leading the company toward joining the Italian State Railways Group. He has served as an independent board member of SGR F2i. He currently serves as senior advisor for Azimut fund. Between 2005 and 2015, he worked for Terna S.p.A. holding roles of increasing responsibility: from director Network Planning and Development to director Operations Italy to CEO of Terna Rete Italia. Prior to 2005, he worked at Grtn (Gestore della Rete Elettrica Nazionale) until the merger with Terna. Underlying his background experience in strategy

consulting at McKinsey & Company and Telecom Italia

SONIA CANTONI



Born in Milan in 1958, she holds a degree in agricultural science with a focus on engineering and agricultural economics, and has many years of experience in the fields of environment and sustainability, utilities, and the care of common assets. She started her career as a Project Manager and was then Environmental Director of Lombardia Risorse, a public company of the Lombardy Regional Government. From 1999 to the end of 2001 she was a department director in the National Environment Agency. She then served as Councillor for environmental policies and equal opportunities in Sesto San Giovanni. From September 2005 to March 2011, she was General Manager of the Environmental Protection Agency of the Tuscany Regional Government. In 2011, she was appointed president of AMSA, an A2A group company, a position she held until April 2013. From 2013 to 2019, she served as a Director with responsibility for the environment on the Board of Directors of the CARIPLO Foundation. From February 2017 to June 2021, she was Director of the Giordano dell'Amore Social Venture Foundation, which promotes and supports the third sector, companies

that generate social and environmental impact and social innovation. Since April 2018 she has been Chairperson of the Supervisory Board of the Fondazione Milano, an organisation set up and supported by the Municipality of Milan and active in the field of Higher Education. As of 1 July 2019, she has been a board member of IRETI.

ENRICA MARIA GHIA



She has been a member of the Milan Bar Association since 1998. Cassation Lawyer, she is a partner in GHIA Studio Legale Associato with offices in Milan and Rome. Her areas of specialisation are corporate law, commercial law, business crisis law and banking law. She has been involved in corporate restructuring since 2008. She is a lawyer and consultant of major Italian banks and assists numerous domestic and foreign companies operating in the industry and services sectors. She conducts her practice in both judicial and extrajudicial settings. In November 2017, she established JurisNet s.t.a. S.r.l., a law firm with 10 partners and more than 150 affiliates nationwide. In 2018, she established JurisTech S.r.l., an innovative start-up in the legal tech sector developing the JurisPlatform collaboration suite for networks of law firms and in-house legal departments of corporations.

PIETRO PAOLO GIAMPELLEGRINI



Born in Massa in 1968, he graduated in Law in 1994 at the University of Parma, Italy. In 1997 he was admitted to Bar of Massa Carrara, subsequently qualifying to practice in the High Court and the Supreme Court of Cassation. After working for a time as a freelancer lawyer, in December 2016 he was appointed General Secretary of the Liguria Regional Government, a position that involved, among other things, the coordination of the regional council's departments and sectors. He is currently still in the post. From April 2018 to December 2020, he was Special Commissioner of the Regional Tourism Promotion Agency 'in Liguria'. He is also a Subject Tutor in ICT "Information and Communications Technology" for Public Administration at the University of Genoa and an Adjunct Professor of the teaching "Territory, Environment and Sustainable Development" supplementary to the official course "Comparative and European Constitutional Law" in the same University. He has served as member of the Board of Directors of the Carige

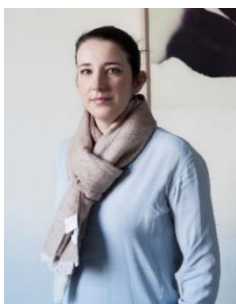
Foundation and has been a member of the Board of Directors of Cornigliano SpA. One of many other positions held until 2015 was membership of the Supervisory Board pursuant to Italian Legislative Decree 231/01 of the Cassa di Risparmio di Carrara. Since 28 June 2019, he has been Chairperson of the Board of Directors of IREN Mercato.

ALESSANDRO GIGLIO



Born in Genoa in 1965, he obtained a master's degree in Performing Arts and Multimedia Production at the National Academy of Dramatic Arts and a master's degree in Management at LUISS University in Rome. During his career, he has held various positions including: National Deputy Chairperson of UNAT-AGIS, member of the Technical Committee of the Ministry of Tourism and Entertainment, Europe General Manager for MGE, Arbitrator in the Governing Council of Confindustria Radio Televisione. He devoted many years of his life to the design and production of major events and theatrical and TV shows. For television he has produced programs such as Carramba che Sorpresa (Rai 1), Segreti e Bugie (Rai 1), Navigator (Rai 1, and winner of the "Most Innovative European Programme of the Year" award at Cannes Mipcom in 2000). In 2004, he organised the inaugural event of the first Formula 1 Grand Prix in Shanghai on behalf of the Presidency of the Council of Ministers and the Ministries of Foreign Affairs, Productive Activities and Labour, creating a virtual travelogue in discovery of Italy, broadcast live on CCTV to over 500 million Chinese and Asian viewers. Television publisher of channels Music Box, Live!, Acqua, Yacht & Sail, Nautical Channel and Play.me – the latter in 2010 becoming the world's first television channel streamed on Facebook. In 2003, he founded the Giglio Group, of which he is Chairperson and majority shareholder, now publicly listed on the MTA-Star segment of Borsa Italiana. The group has offices in Milan, New York, Hong Kong, Shanghai, Rome and Genoa and sets itself the goal of bringing the best of Made in Italy to the world. Having begun as a TV broadcaster, the Giglio Group has evolved to become a latest-generation e-commerce leader, developing cutting-edge digital solutions for fashion, food and design online. He is currently Chairperson of Meridiana Holding, Chairperson of Vertice 360 (a Spanish company listed on the Madrid Stock Exchange), Chairperson of the National Theater of Genoa, and a member of the Board of Directors of Iren Energia.

FRANCESCA GRASELLI



Born in Reggio Emilia in 1979, she graduated with honours in Business Economics at the University of Modena and Reggio Emilia and gained a PhD in Financial Markets and Intermediaries at the Catholic University of the Sacred Heart (MI). Her specialisation was the evaluation of creditworthiness and the study of insolvency forecasting models in light of Basle Agreements on the minimum capital requirements of banks. From 2005 to 2009, she worked at the financial consulting firm K Finance (now Equita K Finance), gaining experience in M&A and extraordinary finance with industrial counterparts and with private equity funds. She also contributed to developing the company's rating division, which she continued to follow since 2010, until 2021, in the company KF Economics, as a member of the Scientific Committee. Since 2010, she has been working at Grasselli, a company operating in the production of machinery for the food industry, of which she is currently CEO and within which, in addition to typical financial activities, she is involved in strategic planning and business process efficiency. In addition to her role as a director of the parent company Iren S.p.A., which she has held since May 2019, she has been a member of the Board of Directors of the University of Modena and Reggio Emilia since November 2020.

MAURIZIO IRRERA



Born in Turin in 1958, he graduated in law at the University of Turin in 1982 and in the following years developed significant experience as head of internal legal affairs of a major listed company. In 1989, he obtained a PhD in commercial law at the "L. Bocconi" University in Milan. He is Professor of commercial law at the Department of Economics and Social Sciences and Mathematics and Statistics at the University of Turin. He also teaches corporate governance law, bankruptcy and crisis law and corporate law for economics. He was admitted to the Bar in 1985 and in 1997 qualified to practice in the High Courts. A founding partner of Studio Irrera - Avvocati Associati, he directs and coordinates all the firm's activities and provides consulting and assistance in corporate, financial and company restructuring matters to industrial and commercial enterprises, banks and public companies. Since 2013, he has been a Director of Fondazione CRT and Coordinator of the Foundation's Budget and Investment Commission. He holds positions in corporate bodies of companies operating in the field of asset management, credit disbursement and leasing: he is Deputy Chairperson of the Board of Directors of REAM Sgr S.p.A.; he is a member of the Board of Directors of PerMicro S.p.A.; he is Chairperson of the Board of Statutory Auditors of Agfa Finance S.p.A. Chairperson of the supervisory bodies of public companies and a member of the supervisory bodies in the health sector. He has been a Director on the Board of a credit institute. He is Chairperson of the Centro CRISI - Interdepartmental Research Centre on Enterprise, Over-indebtedness and Insolvency at the University of Turin. He is the founder and chairperson of the RES Enterprise Studies Centre for the promotion and study of the culture of company and business law. He has authored over 120 scientific papers including monographs, essays, textbooks, encyclopaedia entries, articles and case notes on

commercial, corporate and bankruptcy proceedings. He is also a board member of Iren Mercato and Chairperson of the Board of Directors of Unieco Holding Ambiente s.r.l.

CRISTIANO LAVAGGI



He graduated from the School of Accountancy in 1994. In 2002, he gained a degree in Labour Consulting at the University of Siena and in 2005 completed a Masters in Labour Law and Personnel Management in Reggio Emilia. From 2008 to 2012, he undertook other Masters courses, specialising in Payroll and Personnel Management and in Bankruptcy Law. In 1998, he began to practice as a labour consultant at the Manuela Demontis Accounting School. In 2000, he was hired as a part-time employee at the Sandro Mazzi Studio, where he heads the accounting and tax declaration department. In 2004, he was worker as an external contractor for Studio Petacchi & C. srl, where he dealt with tax returns and 730, 770 and Unico forms. From 2009 to present, he has been registered with A.N.coT. as a Professional Tax Consultant and has his office in Castelnuovo Magra (SP), Via Aurelia 190. In 2010, he became a partner in Studio Petacchi & Partners S.r.l. serving as a tax and labour consultant. He was a member of the Board of Directors of I.S.I. S.p.A. until 2016. In 2013, he founded Studio Lavaggi snc di Lavaggi C. and Marchini A., of which he is still a partner today.

Also in 2013, he gained a diploma as a corporate mediation professional, accredited by the Ministry of Justice. Since 2005, he has been CEO of Società Liguria Patrimonio Srl, a company wholly owned by Filse spa, Liguria Region (GE). He also served as Chairperson of various local organisations until 2017 such as the Cassa Edile, Scuola Edile and CPT (Spezia Joint Committee). From September 9 to December 10, 2021, he served as a Board Member and Deputy Chairperson of ASM Vercelli S.p.A.

VIRGINIA GINEVRA LOMBARDI



Born in Viareggio (LU) in 1966, she is a lecturer at Department of Science for Economics and Business at the University of Florence. She is the author of numerous scientific articles in national and international journals. She has been a visiting researcher at the University of Arizona (USA) and a visiting professor at BNU Beijing Normal University in Beijing. She has been an invited speaker at national and international conferences. She has won national research awards. She has taught and continues to teach courses on subjects such as Principles of Economics, Economics and Enterprise Management, Economics, Land and Environment and Tourism Economics. She has coordinated scientific research projects, nationally and internationally. She has held administrative positions in local authorities and scientific coordination roles in industry and inter-university research centres. She is the scientific leader of a circular economy research centre. She is the Europe representative for an international research network on Advances in Cleaner Production and is the editor of an international science journal.

GIACOMO MALMESI



Born in Parma in 1971, he graduated in Law at the University of Parma, and is a lawyer admitted to the Court of Cassation. He is a legal consultant in the commercial and corporate sectors, dealing with commercial contracts, directors' liability, independent auditors and boards of statutory auditors, as well as banks' liability from aggravating financial collapse, abusive lending practices and in bankruptcy procedures. He is a consultant to the company and member of the Board of Directors. After the local football company declared insolvency in 2015, together with a group of entrepreneurs in the Parma region, he established Parma 1913. He holds the office of Deputy Chairperson and has contributed to the city's club been promoted from serie D to serie A.

TIZIANA MERLINO



Born in Finale Ligure (SV) in 1974, she is a manager with extensive experience in innovation processes and organisational change, with particular expertise in the public sector. In 1998, she graduated with honours in politics and economics at the University of Genoa and in 1999, obtained an “Innovator of the Public Administration” Masters degree. She began her career in January 2000 with the Lattanzio Group SpA and worked there until 2011 as a consultant expert in innovation processes in the public administration. From April 2011 to January 2016, she was Sales Operations Manager for Italy, Greece and Eastern Europe with a leading multinational manufacturer and supplier of dental and medical imaging systems and IT solutions. In 2016, she began her career in the environmental sector as General Manager of Finale Ambiente SpA, a multi-service company operating in urban hygiene, pay parking areas, tourism marina and cemetery services in the municipalities of Finale Ligure and Orco Feglino. From October 2017 to January 2021, she was General Manager of Amiu Genova SpA, a company that offers comprehensive services for waste cycle and environmental management in the Municipality of Genoa and works on public contracts in various municipalities of the Genoa metropolitan area. From February 2021, she assumed the role of Director of the new organisational area Plants and Innovative Research and Development of Amiu Genoa.

GIANLUCA MICCONI



Born in Ponte dell’Olio (PC) in 1956. With a training background in sciences, he was Sole Director of Tempi Agenzia srl in Piacenza from March 2012 to April 2018, PDL municipal coordinator in the Municipality of Ponte dell’Olio from January 2010 to December 2014 and was a Director of the Consorzio Bonifica Cisterne of Piacenza from January 2014 to December 2003. He has also been a member of Executive of Alleanza Nazionale of Piacenza and was a Provincial Councillor for the party from January 1998 to December 1999, he was Director of P.C.M. srl (Piacenza Testing and Maintenance) from 2005 to 2020. He holds directorships in companies of different types including in C.R.C. Ltd. (Center for Diagnostic and Testing Audits)

LICIA SONCINI



Born in Rome in 1961, she graduated with honours in Cultural Anthropology at the “La Sapienza” University of Rome in 1986 and received a legislative consulting diploma from the Higher Institute of Legislative Studies in 1990, under the patronage of the President of the Republic. Since 1998, Chairperson and founding partner of Nomos Centro Studi Parlamentari, a company specialising in consultancy for institutional relations and lobbying activities where she has always followed and supported customers in the energy sector, since the period of privatisation of state-owned companies (Edison, Unione Petrolifera, Total, Gestore del Mercato Elettrico, Assogas) and then moved on to follow customers in the pharmaceutical sector for whom she carried out political and legislative consultancy. At the end of 2013, she founded the Nomos Health Policy Laboratory, a company specialising in research and institutional communications in the healthcare sector, with a special focus on sustainable development projects. She has been a lecturer on “Information and Publicity of Parliamentary Work,” as part of the Master’s programme on Lobbying and Institutional Relations organised by the Luiss Management graduate school and a lecturer on lobbying and institutional relations at the “Eidos” training school. She gained her experience in a Parliamentary Group (1985-1989) and then served as head of relations with Parliament of the Ferruzzi-Montedison Group (1989-1994), where she participated - among other activities - in the formation of the law on denationalisation of the energy sector. From 2004 to 2007 she was sole director of Stratinvest-Ru, a consulting company for Italian companies seeking to operate in Russia. From 2014 to 2017, she was Chairperson of the Nomos Health Policy Laboratory. In April 2019, she was elected to the Board of Directors of Atlantia S.p.A. In 2019/20, she participated in InTheBoardroom 4.0, an executive training course to prepare board members, organised by Valore D; in 2021, she was elected to the “InTheBoardroom” Representatives Committee. On her second term as a director on Iren’s Board of Directors.

ANNEX 2. PERSONAL AND PROFESSIONAL PROFILE OF EACH AUDITOR

MICHELE RUTIGLIANO – CHAIRPERSON



Born in Milan in 1953, professor at SDA Bocconi School of Management. Formerly, he was a Professor in Economics of Financial Intermediaries and a lecturer in Finance and Corporate Valuation at the University of Verona. Other lecturing work includes teaching at the Bocconi University and the University of Brescia and Udine. He specialised in Finance at the Wharton School, University of Pennsylvania. He is a Chartered Accountant and Statutory Auditor (Italian Ministerial Decree 15/11/1999, OJ No. 100 of 17/12/1999, No. 102591). Most of his professional activity is in arbitration and technical consulting (official and party-appointed) in banking and finance, damage assessment for infringement of intellectual property rights, corporate and intangible assets valuation. He provides consulting services to the Courts of Milan and Verona. He is the author of numerous publications on business management, banking and finance. He has held numerous positions in corporate bodies of listed and non-listed companies in the industrial and financial sectors.

UGO BALLERINI - STANDING AUDITOR



Born in Pisa in 1947, he graduated with honours in law from the University of Genoa in 1972, and has been general director of FI.L.S.E. since 1980. S.p.A. (Finanziaria Ligure per lo Sviluppo Economico), a regional public-controlled company with share capital of 24,700,565.76 Euro and assets of more than 360 million. He also holds the position of Sub Commissioner Extraordinary for the reconstruction of the Polcevera Viaduct of the A10 highway. During his working career, he has held countless positions on corporate bodies and boards of auditors of subsidiary and non-subsidiary, industrial and financial companies. Certified Public Accountant, enrolled under No. 3143 (Ministerial Decree of 12/04/1995 OJ No. 31BIS of 21/04/1995) in the Register of Auditors, he has published numerous essays and articles in newspapers and specialised journals, has been a speaker at international congresses and conventions and called to serve on various scientific committees.

SIMONE CAPRARI - STANDING AUDITOR



Born in Reggio Emilia, he is an associate of Baldi & Partners Avvocati e Commercialisti (Reggio Emilia). He is a former Chairperson of the Union of Young Chartered Accountants of Reggio Emilia and the Regional Coordinator for Emilia Romagna. In 2000, he received a Bachelor's Degree in Business Administration from the University of Parma, in 2006, the Qualification to practice as an Auditor and Chartered Accountant, and in 2012, the Qualification to the specialisation course "Experts in Financial Markets" organised by Borsa Italiana Spa and the National Council of Chartered Accountants. He has gained specific expertise in corporate and tax consulting; drafting financial statements, budgets and business plans; M&A and Financial Advisory transactions; Accounting and Business Due Diligence; boards of auditors in listed and unlisted industrial companies; auditing; management consulting and business process reorganisation.

CRISTINA CHIANTIA - STANDING AUDITOR



Degree in Economics, Certified Public Accountant registered in the Register of Certified Public Accountants and Accounting Experts of Turin, registered in the Register of Auditors and the Register of Auditors of Local Authorities; Speaker at the School of Advanced Training of the Order of Certified Public Accountants and Accounting Experts of Turin - Practitioners Course Special Module "The Business Crisis"; Secretary of the National Commission of the Board of Auditors - UNGDCEC (National Union of Young Certified Public Accountants and Accounting Experts). She holds office as a Statutory Auditor in companies in the energy, additive manufacturing, consulting and investment sectors.

SONIA FERRERO - STANDING AUDITOR



Born in Turin, Italy in 1971, a graduate of the University of Turin with a degree in economics and business administration, a certified public accountant and auditor. Since 2004 in Milan, she has worked with leading Italian tax law firms and has held and still holds numerous positions in corporate bodies of listed and unlisted companies, industrial and financial

LUCIA TACCHINO - ALTERNATE AUDITOR

Born in Genoa on 18 April 1979, she graduated with honours in Economics and Business - business major - from the Faculty of Economics and Business of the University of Genoa in May 2003. She is registered in the Register of Auditors as well as in the Register of Certified Public Accountants of Genoa as of 2009. PhD in Economics at the University of Genoa - XXIX Cycle - School of Social Sciences - Faculty of Economics since 21 April 2017. Contract associate for several academic years at the University of Genoa, School of Social Sciences - DIEC. She has participated as a speaker in various seminar initiatives concerning the field of auditing, accounting, business crisis prevention and in relation to accounting and tax issues of Non-Profit Entities. Initiatives in the non-profit sphere were also conducted in collaboration with Università Cattolica del Sacro Cuore in Milan. Coordinator of the Non-Profit Working Group of the ACB Group Network. A permanent associate of Studio Rosina e Associati since 2004, within whose structure she works in all areas of professional activity, providing corporate and tax advice to companies and associative entities. Provides assistance in the context of extraordinary transactions set up between corporations. Served as an appointed CTP at the Court of Genoa. Statutory Auditor and Auditor at several Corporations and some Non-Profit Entities. Board member of trust company, Internal Audit liaison. Author of several publications in peer-reviewed journals.

FABRIZIO RICCARDO DI GIUSTO - ALTERNATE AUDITOR

Born in Collecchio (RI) in 1966, a Certified Public Accountant, he has been registered as an auditor since 1999 and has served as an Alternate auditor of the Company since 06 May 2021. He graduated from La Sapienza University of Rome in 1994 with a degree in economics and business administration. He began his professional practice dealing, in particular, with corporate and tax law. In 2002, he set up his own firm in Rome, which operates mainly in the field of consulting in economic-business, commercial, tax, administrative and financial matters for groups or companies of national and international importance. He has gained specific experience in the preparation of financial statements, business plans, auditing and legal. An expert in corporate governance, he has served and continues to serve as an auditor in listed and unlisted companies, both as Chairperson and as standing auditor.

ANNEX 3. MAIN CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS

Foreword

The IREN Group has established an internal control and risk management system applicable to the financial reporting process and based on key national and international best practices. The model for control and monitoring of administrative and accounting processes is an integral part of the system.

The system as a whole is defined as the set of rules, procedures and organisational structures which – through a process of identification, measurement, management and monitoring of the main risks that could partly or wholly compromise its purpose – pursues the objectives of soundness, accuracy, reliability and timeliness of financial reporting.

The rules, procedures and organisational structures mentioned above are described in the model of governance, management and monitoring of the administrative and accounting system (the “**Model**”), designed to monitor sensitive processes for the purposes of economic, equity, accounting and financial reporting, and are distributed to all stakeholders. The “Model” describes the methods used and the responsibilities relevant to the definition, maintenance and monitoring of the system of administration procedures and accounting, and the evaluation of its effectiveness and appropriateness.

The “Model” was adopted by the IREN Group for the application of the provisions of Law 262/2005, “*Provisions for the protection of savings and regulation of financial markets*”.

Responsibilities in the risk management and internal control system in relation to the financial reporting process

The manager in charge of financial reporting (hereinafter also “**Financial Reporting Manager**”) is responsible for the “Model” and to this end shall, in collaboration with the competent corporate functions, prepare the administrative/accounting procedures for the drafting of the periodic financial reports and all other financial disclosures, certifying jointly with the Chief Executive Officer Gianni Vittorio Armani), adequacy and effective application during the period to which the accounting records refer.

The Board of Directors ensures, in accordance with Article 154-bis of the Consolidated Law on Finance, that the FRP has adequate powers and means to carry out the assigned tasks and to verify compliance with the above procedures.

The Board of Directors of IREN, held on 26 November 2021, with the favourable opinion of the Board of Statutory Auditors, appointed for the above-mentioned office, and for an indefinite term, the Director of Administration, Finance, Control and M&A of IREN S.p.A., Anna Tanganelli, having verified that she meets the requirements of the By-laws themselves. The IREN Board of Directors, at its meeting of 26 August 2010, had approved the “Regulations for the governance of administrative and accounting procedures”, and (i) had instructed the Executive Committee to make appropriate changes to the “Regulations” to ensure the effective and timely implementation of the provisions coming into force and had informed the Board at the time of providing it with the periodic reports; (ii) had instructed the Executive Committee to determine the spending budget that the Financial Reporting Manager would draw on to best perform his specific functions; (iii) had determined the remuneration provided by Article 36 of the By-laws to the Financial Reporting Manager at an amount equal to the payment awarded that the Shareholders’ Meeting awarded to the individual members of the Board of Directors.

The Executive Committee was abolished as a result of the governance changes of 2013; its functions were therefore transferred to the Board of Directors (if not delegated to the executive directors).

The IREN Board of Directors, in its meeting of 10 July 2017 (i) approved the updating of the “Regulations for the governance of administrative and accounting procedures” and invited the Financial Reporting Manager to implement the IREN SpA structures and the Group Companies to which the regulations would apply; (ii) authorised the Financial Reporting Manager to make appropriate changes to the “Regulations” to ensure the effective and timely implementation of the provisions coming into force, including any updating of the corporate perimeter, also keeping the Board informed. The “Model” identified within the IREN Group is made up of the “Regulations for the governance of administrative and accounting procedures”, the perimeter Companies and stakeholders, the information flows, the control and process oversight system, the methods of management and updating of the model, and identifies the perimeter Companies it addresses and the stakeholders.

The risk management and internal control system in relation to the financial reporting process

The design and structure of governance for the implementation of the “Model” involves the performance of a series of activities using an operational approach aimed at the documentation and verification of the internal control system relating to Financial Reporting (ICFR). The core implementation activities are:

- Planning and definition of the perimeter - the identification and assessment of the main risks (risk assessment) arising from the achievement of objectives inherent to the financial reporting process is a means of identifying the accounting areas/entries and companies/processes considered relevant in terms of potential impact on the process itself. The risk assessment, incorporating a set of quantitative and qualitative parameters, is developed both for the Group and the process.
- Documentation of Processes - the risk assessment is followed by the activity of identifying, through the documentation (*risk and controls matrix* and procedures) of the relevant processes, the specific controls aimed at acceptably reducing the risk related to failure to achieve the goals of soundness, accuracy, reliability and timeliness of financial reporting, at both Company and process levels.

The Model provides the macro-system of internal controls at company level; they include assigning responsibilities, powers and duties, the application of General Computer Controls on IT systems, the segregation of incompatible tasks and the definition of controls for each of the individual processes at risk. These include, for example, verification – based on supporting documentation – of correctly performed accounting recognition, verification of the correct authorisation path, performance of reconciliations and performance of consistency checks. The controls identified at the process level have also been categorised, based on their features, as manual controls and automatic controls and, in turn, as preventive and subsequent, depending on the time at which a transaction is entered in the accounts.

- Assessment of the adequacy of the controls - Unless company events dictate an alternative periodicity, the Financial Reporting Manager performs a six-monthly assessment of the design effectiveness and operating effectiveness of the internal controls for the accounting and financial system. This is done on the basis of evidence collected regarding:
 - ✓ the macro internal control system at company level;
 - ✓ sensitive processes for accounting and financial reporting purposes, bearing in mind the control tests conducted and monitoring of the progress of corrective actions taken.

For the execution of the related activities, the Financial Reporting Manager can make use of the organisational units of the IREN Administration, Finance and Control Department (which report to him) and can also depend on the full collaboration of the other structures of the Parent Company and subsidiaries. This solution makes the reference activities more structured, coordinated and comprehensive and allows for evaluation of the adequacy of the system that governs the preparation of company accounts.

The evaluation of the design effectiveness and operating effectiveness of the controls is done through testing, performed by the Internal Audit Function (as part of the Internal Audit and Compliance Department and) of the parent company.

- Information flows - The “Model” provides a structured system of information and Financial Reporting Manager reporting flows with IREN company structures and its subsidiaries.
During the preparation of the annual and interim financial statements, the various corporate functions of the Parent Company and the subsidiaries provide the Financial Reporting Manager with specific certification on legal compliance, based on procedures defined in the Regulations

The Financial Reporting Manager provides the Board of Directors with half-yearly results of the evaluations of the system of internal controls on accounting and financial reporting functional to the certifications required by law from the authorised administrative body and the Financial Reporting Manager. This is also in order to enable the Board of Directors to perform legally required oversight on effective compliance with administrative and accounting procedures and to ensure the Financial Reporting Manager has adequate powers and resources.

The information submitted to the Board of Directors is also previously presented to the Control, Risk and Sustainability Committee and the Board of Statutory Auditors for the purpose of performing the functions of oversight, provided by law and the By-laws, on the accounting system. On such occasions, the independent auditors also participate in the meetings.



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